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ABSTRACT

This document presents reports from the individual universities of Ontario on policies of undergraduate student aid and accessibility to the universities during the academic year 1969-70. In addition, it presents recommendations from the universities as to how student aid policies might be improved to increase equality of access. (HS)

APPENDIX A

U.S. DEPARTMENT OF HEALTH, EDUCATION & WELFARE
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ED 069260

UNDERGRADUATE STUDENT AID AND ACCESSIBILITY IN THE UNIVERSITIES OF ONTARIO

Report of the Subcommittee on
Student Aid to the Committee of
Presidents of Universities of Ontario

October 1970

This appendix contains copies of the reports submitted by universities in reply to Circuletter 543 of the Committee of Presidents of Universities of Ontario (see Introduction).

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BROCK UNIVERSITY

MEMBERSHIP OF STUDY GROUP:

Professor Arnold G. Lowenberger Chairman	-	Dean of Students and current Chairman of the Senate Awards Committee.
Professor Eric M. Muller	-	Assistant Professor, Department of Mathematics and Past Chairman of the Senate Awards Committee.
Mr. L. Ainsley Towe	-	Assistant Registrar
Mr. Peter Kocsis	-	Member of Brock University Student Assembly.
Mr. John Scott	-	Member of Brock University Student Assembly.
Mr. Edward E. Mitchelson	-	Student Awards Officer.

DATE RECEIVED: August 4, 1970.

Office of the President and Vice-Chancellor

BROCK
University

St. Catharines, Ontario

UNIVERSITÉ d'OTTAWA
REÇU
AUG 4 1971
PLANIFICATION ACAD.

A-2

July 31, 1970.

Dr. Peter Morand
Chairman
CPUO SubCommittee on Student Aid
University of Ottawa
550 Cumberland Street
Ottawa, Ontario

Dear Dr. Morand,

Arising from your request for a report on reactions within this University to various proposals for the review and improvement of existing student aid programs, for an examination of the Cook-Stager Report and the Ministerial Memorandum, and for suggesting areas of further study relevant to the needs of students at the undergraduate level, I now forward a Study Paper compiled by a Special Committee under the chairmanship of my colleague Dr. A. G. Lowenberger, Dean of Students.

My colleagues have reported a continuing interest in the ramifications of student aid under provincial and national auspices, and I am sure they, and the faculty and university officers generally, would be glad to be kept informed of further developments.

With kind regards,

Yours sincerely,

James A. Gibson
President and Vice-Chancellor

JAG/bm
Enclosure

BROCK UNIVERSITY

STUDY PAPER

ON

FINANCIAL AID TO UNDERGRADUATE STUDENTS

prepared for

THE CPUO SUBCOMMITTEE ON STUDENT AID

by

BROCK UNIVERSITY

ST. CATHARINES, ONARIO.

TERMS OF REFERENCE

The CPUO Subcommittee on Student Aid requested Brock University to:

1) examine the existing province of Ontario Student Awards Plan (OSAP) and make suggestions for improving this Program;

2) examine the Cook-Stager Report and similar Educational Opportunity Bank (EOB) schemes and make recommendations regarding the feasibility of such loan programs; and

3) suggest areas where further studies should be made relevant to students at the undergraduate level.

COMMITTEE MEMBERSHIP

The members of the President's ad hoc Committee for this study were:

Professor Arnold G. Lowenberger (Chairman)	-	Dean of Students and current Chairman of the Senate Awards Committee.
Professor Eric M. Muller	-	Assistant Professor, Department of Mathematics and Past Chairman of the Senate Awards Committee.
Mr. L. Ainsley Towe	-	Assistant Registrar.
Mr. Peter Kocsis	-	Member of Brock University Student Assembly.
Mr. John Scott	-	Member of Brock University Student Assembly.
Mr. Edward E. Mitchelson (Secretary)	-	Student Awards Officer.

BIBLIOGRAPHY

Student Aid and Access to Higher Education in Ontario	-	E. Clark, D. Cook, G. Fallis, M. Kent.
Student Financial Assistance Programs - A Report to the Ontario Committee on Student Awards	-	G. C. A. Cook, D. A. A. Stager
Student Aid Programs Number 7 in the Policy Paper Series for the Institute for the Quantitive Analysis of Social and Economic Policy	-	G. C. A. Cook, A. R. Dobell, D. A. A. Stager.
A Summarized General Description of CORSAP	-	G. C. A. Cook, D. A. A. Stager.

Summary of a Proposal for a New Program of Financial Assistance to Students - Council of Ministers of Education, Post-Secondary Education Committee, Subcommittee on New Approaches to Student Assistance.

REQUEST #1

To examine the existing Province of Ontario Student Awards Program (OSAP) and make suggestions for improving this Program.

PURPOSE OF OSAP

The Ontario Student Awards Program is intended to provide opportunities for students of this province who lack adequate financial resources to pursue post-secondary education.

The Awards Program is intended to supplement rather than replace family and/or student resources.

In order to determine the additional funds required, the province assesses objectively the resources of the family and/or the student which could reasonably be used to provide for the student's educational costs.

The basis of the assessment of family and/or student resources has been developed by the Federal Government, in co-operation with the participating provinces, for the administration of the Canada Student Loans Plan.

Since the Ontario Student Awards Program is integrated with the Canada Student Loans Plan, and families are expected to contribute in proportion to their resources, neither students nor their parents can be regarded as free of their share of the obligation on the basis of arbitrary decisions on their part.

OSAP AWARDS 1969-70

Brock University

Number of applications processed - 903

	Number of Students	Total Awarded	Average per Student	% of Student Body
ONTARIO STUDENT AWARDS				
Loan Portion	800	$403,770.	$505.	51.3
Grant Portion	740	346,015.	468.	47.4
TOTAL	800	$749,785.	$973.	51.3
PROVINCE OF ONTARIO				
Loan Portion		$30,139,600.	$504.	
Grant Portion		29,619.720.	495.	
TOTAL	59,759.	$59,759.320.	$999.	

The above table records the financial bursary-type assistance awarded to students at Brock University and in the Province of Ontario for the year 1969/70. Because the awards are bursary-type assistance based on need, it is the opinion of the members of the Committee that there should not be any attempt to link OSAP with a scholarship program. The academic competency of students enrolling at post-secondary institutions is the responsibility of the admissions board of each institution. If an institution permits a student who qualifies for OSAP to enroll and repeat a year, he should qualify for the grant portion of the award. To do otherwise would discriminate vis-a-vis a student who has sufficient financial means to repeat a year.

SUGGESTIONS FOR IMPROVING OSAP

1) increase the allowance for dependent children,

2) increase the basic allowance for parents,

3) increase the allowance for working mothers (not one parent family) - $250.00 is inadequate.

4) revise the parental contribution tables to increase the aid provided for the children of families in the $6,000. to $10,000. income bracket (see p. 108, Cook-Stager Report),

5) allowance for summer savings should be scaled for students living at home similar to the lodging ($400. and $800.),

6) loans above the $600. maximum should be more readily available,

7) automatic independence should be closely re-examined (higher years of Medicine, Dentistry and Law),

8) married students are discriminated against because their summer earnings are listed as a "financial resource" and hence are not calculated on the "Summer Savings Table" basis,

9) suitable assistance to part-time students should only be introduced if it will in no way reduce financial assistance to full-time day students.

REQUEST #2

To examine the Cook-Stager Report and similar Educational Opportunity Bank (EOB) schemes and make recommendations regarding the feasibility of such loan programs.

COOK-STAGER REPORT (CORSAP)

The Committee has listed the principles which would best serve present day needs in a contingent repayment plan in the Conclusion to this study paper but would like to record a few observations under the above captioned heading.

If CORSAP (as described by Cook-Stager) is introduced, it should be modified to provide for:

1) a grant component on the basis of a means test,

2) financial aid to students which is not related to "Full-cost" tuition fees,

3) assurance that sufficient operating and capital funds will be provided by the government to deal with the anticipated increase in post-secondary enrolment,

4) suitable assistance to part-time students providing it will in no way penalize assistance to full-time day students.

REQUEST #3

To suggest areas where further studies should be made relevant to financial aid to students at the undergraduate level.

OSAP PLAN

Studies that would:

1) improve the audit and verification procedures and give publicity to its efforts,

2) re-examine the criteria granting "independence" to provide more equality in their application,

3) re-examine the treatment of married students (particularly where the husband and wife are students),

4) re-examine and keep the Parental Contribution Tables updated.

CORSAP

1) Studies and Further Research (Urgent) See pp. 268 to 270, Cook-Stager Report.

   a) Sample survey of persons who entered post-secondary educational institution at different points in time during the past 12 years.

   b) Expanded use of data on the OSAP available at the Department of University Affairs.

   c) Further analysis of the responses to the sample survey of Ontario high school students made in the Clark-Kent Report.

   d) A substantial effort should be undertaken to improve the relevant data base quickly so that significant progress can be made with respect to:

      i) a synthesis of theoretical research in public finance,
      ii) the theory of occupational choice, and
      iii) aspects of investment in education.

2) Studies that would assist in overcoming the socio-economic and cultural factors outlined in the Clark-Kent Report and which records that the student's decision to proceed to post-secondary education is made long before Grade XIII is reached.

3) Studies re the relative merits of grants and loans and their effects on student motivation.

4) Studies re the abolition of fees altogether as has been done historically at the elementary and secondary levels.

CONCLUSION

In addition to the comments and recommendations made throughout this study paper, the members of the Committee wish to conclude by recording that in a revised Ontario Student Awards Plan (OSAP) or a Contingency Repayment Student Assistance Plan (CORSAP) the institution of the following principles would best meet the present day needs:

1) The awarding of non-repayable grants (to a researched maximum) based on a means test to students from financially disadvantaged families.

2) The awarding of interest-free loans based on a means test to students from families where financial need is not as great with repayment of principal only.

3) The awarding of loans at current (or subsidized) interest rates without a means test to students who request them.

4) The increase of the Basic Income Unit by an amount equal to university tuition fee. Tuition fees are included in operating costs at the elementary and secondary levels, and this is advocated by many at the post-secondary level. (A caution should be issued here to watch for arbitrary and large increases in fees).

5) Pre-application for student aid be instituted at the Grade 11 level to assure students that financial aid based on need is available to them.[1]

6) Extensive publicity campaigns should be directed particularly to low income families to help overcome the socio-economic and cultural factors of the financially disadvantaged families.[1]

7) That the new assistance program be accompanied by a policy of stringent checking into the validity of applications and by institution of an appeal board, independent of the initial allocating body, with discretionary power to alter awards which are successfully appealed.[1]

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1 From Study Paper on "Student Aid and Access to Higher Education in Ontario" prepared by the Brock University Student Assembly. The Conclusion, Solution One, Solution Two and the Recommendation are attached as Appendix A.

The Committee believes that when the research referred to throughout this study paper is completed, helpful evolutionary amendments to the co-ordinated Canada Student Loans Plan and Ontario Student Awards Program could become the basis of an enlightened National Canada Student Financial Aid Plan.

The Committee also believes that the plan should unquestionably be national in scope and would therefore urge haste in completing the necessary research and that every influence should be used to have the Federal Government and the Provincial Governments institute such a plan on the basis of the research data.

The Committee members examined the Study Paper entitled "Student Aid and Access to Higher Education in Ontario" prepared by Brock University Student Assembly. The Study Paper is a review and summarization of the Clark-Kent Report and some of its recommendations have been included in the "Conclusions" of this Study Paper.

It is the feeling of the members of the Committee that the significant parts of the Study Paper should be in the hands of the CPUO Subcommittee on Student Aid and hence is quoted below.

"CONCLUSION

The study could come to only one conclusion. A major attack on the problem of income inequality should be the priority in any programme to ensure equality of opportunity. The authors present both the broad direction of change which should be undertaken as well as a proposal which would implement some specific ideas for change in a smaller context. Revisions to the present aid scheme are also suggested in order that it will work towards solving the more basic societal problems.

SOLUTION ONE

The spoken commitment to equality of educational opportunity has been made. The financial commitment is always more difficult. Yet even here it is clear the establishment of a pure grant assistance programme as a part of a financial commitment does not involve a substantial reallocation of resources. Up to this point in our history, Canadians as a whole, have spent little to ensure equality of opportunity for higher education. Student aid has become a noticeable government expenditure only in the last five years (see Chapter 1). It seems to us that we should be willing to undergo the burden necessary to fulfull this goal.

WE RECOMMEND

1. That the Province of Ontario guarantee that lack of income shall be no barrier to the pursuit of education at any level.
2. That this guarantee be, in part, implemented through the present OSAP machinery by eliminating the loan portion of its assistance while maintaining the same amount of the loan-grant award.
3. That this guarantee be made concretely evident to each student through a policy of pre-application by all grade eleven students for government assistance.
4. That this guarantee is made evident to all persons of the Province by extensive publicity campaigns directed particularly to low income families.
5. That the new assistance programme be accompanied by a policy of stringent checking into the validity of applications and by institution of an appeal board, independent of the initial allocating body, with discretionary power to alter awards which are successfully appealed.

APPENDIX A - cont'd

6. That the Government of the Province of Ontario reform the tax structure to eliminate all major regressive taxes and to rely exclusively upon progressive sources for its revenue.

SOLUTION TWO

This study leaves only one conclusion. Our society must be transformed into one in which full equality exists for all citizens. This equality would permeate every aspect of life. Democracy has to be a reality in economic as well as political terms. An employment should be available to all who are willing to work. A decent income ought to be provided for all families. No one should have to work at a wage which does not provide an acceptable standard of living. Yet is such a society possible?

Our society is characterized by a heavy emphasis on pragmatism. People want to be shown that it works before they will try something. If this is the case, and progress is to be made, there must be some agent in the society willing to experiment on a small scale with new ideas. This agent is the government. Governments are formed in order to provide citizens with services which they, as individuals, cannot. A government which fails to experiment with new ideas, fails the people it represents. The government, then, should test the hypotheses presented in this report. Would a radical increase in the income of the poorer members of our society change the behaviour patterns of their children? It is possible to form institutions in which the effort expended is rewarded, rather than the output? Can non-hierarchical forms of organization function? In short, can we have a democratic society? We believe we can. Let the government test this belief.

WE RECOMMEND

A pilot study with the following features:-

1. an area in the province where incomes are low should be chosen for this study.
2. "community-corporations" should be established to provide employment to all who seek it.
3. all work, of all types, should be rewarded according to a common scale based upon the number of dependents.
4. a co-ordinated attack on the many problems which accompany income deprivation should be made.
5. this attack should include co-operation medical and dental clinics, a Head Start programme, and a comprehensive housing project."

CARLETON UNIVERSITY

MEMBERSHIP OF STUDY GROUP:

Report submitted jointly by:

Professor M.A. Copeland	-	Faculty of Engineering.
Mr. M.L. Schmidt	-	Former President, Student Council.
Professor F.G. Vallée	-	Department of Sociology and Anthropology.

DATE RECEIVED: March 26, 1970.

CARLETON UNIVERSITY

A-13

OTTAWA 1, CANADA

FACULTY OF ENGINEERING

UNIVERSITÉ d'OTTAWA
REÇU
MAR 26 1970
PLANIFICATION ACAD.

24 March 1970

Dr. Peter Morand, Chairman
C.P.U.O.
Subcommittee on Student Aid
University of Ottawa,
Ottawa, Ontario

Dear Sir,

I am the "liaison person" responsible for the study group on Ontario student awards as requested in the letter from the C.P.U.O. of January 23, 1970.

There has been discussion on a formal and informal level on the points mentioned. Because of the limited time given to form a study group, submission agreed on as a group will not be possible. However, the following submissions have been promised by individuals: Ian Kimmerly and Lorenz Schmidt (students), on the E.O.B. schemes, Professor F.G. Vallee (Chairman of Sociology Department) on the running of the present Ontario Student Awards Program. In addition, I attach my own personal remarks on both topics.

Yours truly,

M.A. Copeland

M.A. Copeland
Associate Professor,
Faculty of Engineering.

MAC:lom

c.c. President A. Davidson Dunton
Professor F.G. Vallee, Sociology
Mrs. A.T. Loates, Student Aid Officer.

attch.

Carleton University

A-14

MEMORANDUM

TO: C.P.U.O. Subcommittee on Student Aid

FROM: Associate Professor M.A. Copeland, Faculty of Engineering, Carleton University.

DATE 24 March 1970

RE: Student Aid in Ontario.

I wish to submit my personal reaction to the Cook-Stager and similar EOB schemes. By discussion with other Faculty members and students, I would say that the tone of this reaction if not the details are representative of the majority.

A main implication behind these EOB schemes, as put forward by Cook and Stager as agents of the Ontario government, seems to be that the individual obtaining an education gets the majority of the benefit, with society as a whole getting only secondary returns. Between the lines one soon understands that the introduction of this scheme would be accompanied by a move to have the student pay a much larger share of the cost of his education. With the necessity of repayment postponed until some future date, and then on an "income tax" basis, it would seem that many young people might go along with this scheme in the beginning. However, the burden would soon become too large to be acceptable. Such statements by Cook and Stager that "the financial barrier to higher education would be removed" are clearly fallacious. Under the present awards program a student from a poor family can go through university without significant debt. Under an EOB scheme such a student, particularly from a family where debt is avoided at all costs, would be less likely to proceed to University. The plan would favour the upper-middle class, where debt could be looked upon with more equanimity.

Another statement by Cook-Stager is that the plan "lifts taxation burden from those members of the community who have never participated directly in the post-secondary system". The implication here is a little hard to take. All persons, no matter how much educated, receive benefits from the contributions of the more highly educated and the more creative parts of the community. Money spent on the creation, organization and transmission of knowledge is for the benefit of the community more than the individual.

Another statement is that the scheme "would not differentiate against low incomes", in that repayment would be scaled to income. A further point is made that those with high income would be able to "opt out" after paying back for less time. Both statements cannot be true simultaneously.

... /2

A further problem in this vein is that the scheme raises the danger of greater political control by the government over educated individuals. For instance, what agency would decide what portion of the student's costs "benefit society"? Plainly, the government, which could use this power to suppress certain areas of study if it was so inclined. Similarly, an EOB scheme would give power of remission of obligation in some instances and not in others. This also is a potential weapon of suppression, i.e., if one is in debt to the state.

If higher education is of financial benefit to the individual, more than to the state, the individual will pay an accordingly higher income tax and so repay his debt. Why should an uneducated man making a certain income be allowed to keep a larger fraction than the man who has obtained a formal education? This would be the result under the income-tax-like repayment of the E.O.B. scheme.

Carleton University

A-16

MEMORANDUM

TO: Professor Myles Copeland
Faculty of Engineering
Chairman, Study Group on Student Aid

FROM: Frank G. Vallee, Chairman
Department of Sociology and Anthropology DATE March 23, 1970

RE: Student Aid

The following remarks pertain only to internal problems of the student aid, and not to the bigger issues such as the educational opportunity bank. The latter will be the subject of a separate memorandum.

Our bursary funds go to three categories of student, excluding scholarship students.

Category I: Students entitled to support from Ontario, but for whom grants and loans received are insufficient, usually because of unforeseen expenses.

Category II: "External Students", those not entitled to Ontario support, because they lack residence qualifications.

Category III: Students who are residents of Ontario, but whose parents, classified by the Ontario Government as able to afford support of their student offspring, actually refuse to support them, or provide only a small amount of support.

Universities which are well endowed through private means could provide for much of the financial needs of these three categories of students. However, because Carleton is almost entirely dependent upon provincial sources, the support it offers comes from general revenues and a small number of private donations. It is suggested that the system of provincial grants could be restructured in some way to provide help for students in categories I and III. A portion of funds, the size of which could be determined by some formula, could be designated for aid in these categories, the portion to be distributed by the University Student Aid Service.

It seems to me that responsibility for support of needy students in Category II, the external students, to at least some extent falls on the Federal Government. This applies not only to inter-provincial transfers, but also to students from outside Canada, particularly those from the Commonwealth.

It would be interesting to discover how Ontario Universities compare in terms of the three categories mentioned earlier. I suspect that the situation would be rather uniform across the province with reference to students in Category I. With reference to students in Category III, I would expect a certain amount of variation among provincial universities. For instance, in places where there is a fairly large military establishment, as in Ottawa, I would expect there to be relatively small amounts of support for offspring by parents in the military. Perhaps the most extreme variations among provincial universities would be found with reference to Category II, the external students. I would recommend that the provincial authorities investigate the variations among provincial universities in these different categories of students who need additional support. The results of such a study could be helpful in devising formulae for the allocation of funds designated to the various categories of aid, to be administered at the university level.

FGV:dmck

CARLETON UNIVERSITY

A-18

OTTAWA 1, CANADA

April 3, 1970

UNIVERSITÉ d'OTTAWA
REÇU
APR 6 1970
PLANIFICATION ACAD.

Dr. Peter Morand, Chairman
C.P.U.O.
Subcommittee on Student Aid
University of Ottawa
Ottawa, Ontario

Dear Dr. Morand:

I am enclosing a copy of a submission by Lorenz Schmidt, former president of student council. He has presented his views and I would assume the views of many of the students concerning the CORSAP Program.

Yours sincerely,

Mrs. A.T. Loates
Awards Officer

JAL/pw
encl.

The Contingent Student Assistance Plan: An overview

The Contingent Repayment Student Assistance Plan (CORSAP) as advocated in the report (by Cook and Stager) of the Institute for the Quantitative Analysis of Social and Economic Policy at the University of Toronto is not a new proposal. The educational Opportunity Bank (EOB) a more vulgar form of CORSAP was first presented in the United States some three years ago. If one choose to be unkind one may suggest that the CORSAP proposal is the intellectual justification for the governments opting out of the present OSAP plan. There is some evidence to suggest that they have been looking for such an alternative plan.

Why CORSAP?

The Government of Ontario is feeling the effects of inflation, its revenues are no longer equal to the rising costs of goods and services it is obliged to procure. The taxpayer already heavily taxed would be unwilling to bear a further burden. The only alternative is to cut costs in some areas by reducing services and thus releasing monies for elsewhere. The cost of Robarts so called "place for everyone" through OSAP have become tremendous. Between 1964 and 1969 the provincial contribution to Student Awards, Scholarships and Fellowships has risen from some $4.35 millions to $39.71 millions (appendix to legislature of Ontario Debates Tuesday, November 25, 1969). These costs have been predicted to rise at a geometric rate over the next decade, due to both the end of the post war baby boom, and the increasing demand for post-secondary education in order to get employment. Added to these costs are those of operating the Universities and the costs of the capital expenditures. One way to reduce these costs is to go back to a straight loan system, however the amount of money available under the Canada Student Loan Plan ($1000) is insufficient. It has been substantially eaten away at by the rise of the cost of living since 1964. Furthermore students have an expectation for at least substantial aid under OSAP. The alternative then is to provide them with enough money either through a subsidized university career or through a new loan plan. CORSAP is such a new loan plan, with an extra incentive, it appears that you may borrow as much as you wish. Furthermore you do not suffer an immediate repayment problem at market interest rates, rather you pay the loan through a special surtax on your income (the surtax depending upon amount borrowed and the time you wish to use to pay it off) over perhaps 15 to 30 years.

The Government of Ontario is interested in this plan. One may suggest they have been considering it for more than a year and a half. In May 1969, the

Canadian University and College magazine carried the story "what does it mean Ed. Op. Bank?" The article explains that Ontario had sufficient interest in the plan to submit it to a meeting of the National Council of Education Ministers in early 1969. If this plan is appealing to Ontario, its benefits will be even clearer to other provinces also facing higher education costs and accesability demands. (The Ont Department of Education attempted to introduce the question of EOB to "widerspread discussion" at an Ontario Committee on Student Affairs Workshop in May 1969.)

The CORSAP plan has further advantages. It can be set up as a public trust or bank with shares and interest. After the initial government investment to start it the "bank" or "trust" would become self sufficient. However its main advantage is that it would place mere money in the hands of the student borrower. The result at least operating grants to Universities could be cut or frozen forcing the Universities to raise tuition. Tuition which could then be borrowed from the "bank". Furthermore with more money available, students could spend more, and that would certainly be good for the market.

CORSAP and the Student

The governments courtship of CORSAP is a fundamental change in the question of whether education is a private or public good. Accepting CORSAP suggests that the government has chosen to view it as private, and therefore should be minimally financed from the public treasury. During the Carleton Spring Convocation of last year Dr. Wright (where influence is not to be underestimated) suggested to me that education is in fact a private good and costs should be viewed in that light. This thinking can very readily extend to raising tuition fees etc.

Certainly when raising the question of CORSAP one must take the student into account. The CORSAP plan I daresay is not inconsistent with the view of education held by most students. To them in theory and practise education is a marketable private commodity whose primary benefits ascribe to them and not to society. CORSAP is a way out of summer unemployment and often insufficient money during the school year, besides the surtax bite is not that much to be born. (Fastidiously one may suggest that by reinforcing education as a private commodity it will lead to further on-campus political lethargy. It could be the best containment plan for students since the Duff-Berdahl report).

.../3

The Effects of CORSAP

CORSAP, in the short run, will be a major benefit to most of the students presently on Canadian Campuses. Those who would be adversly affected by it, are very few, because most students from lower socio-economic groupings have not made it to university. CORSAP will not increase accessability of this group. The first problem is the grade schools and high schools together with a low achievement orientated family background. If I were convinced that all monies saved by introducing CORSAP were going into these I may be persuaded to the plan, but I would hope my naivite is not that severe. The continual debt incurred under CORSAP could have interesting class effects. The weight of the debt falls heavily on the lower class student. He may not wish to increase this debt. Or, he may choose a course of shorter duration in order not to get more deeply in debt. Studies undertaken bear out this fact.

The plan in itself has several liabilities. Tuition raises and the long-term surtax have already been mentioned but the latter bears some clarification. The surtax will have an unsettling effect on those students who take merely BA's and receive a solid middle class job. This occupational class is already heavily taxed and the surtax will only add to the burden. Furthermore the plan has an aspect of a negative dowry. What if two people both of whom are heavily in debt marry? The woman regardless of her wishes may have to work in order to pay of her share of the debt. If she does not her surtax will be added on to her husbands. The Cook-Stager report feels that this problem can be worked out but suggests no answers.

Conclusion

The Cook-Stager Report is a nightmere. It is often a set of unfounded assumptions joined by intensive investigation and statistication which does not bear out these assumptions. The question of education as a public or private good is a case in point. Some students in the same Institute prepared a report called Aid and Access which presents arguments for further government support to higher education. The Cook-Stager study neglects to mention it. I would like to comment on it but I have been unable to obtain one.

In the final analysis the question of CORSAP leaves me very sad. Although the "progressive" elite of student leaders did argue against it at the Aid meeting in July, I feel it will soon be upon us. Even OCUFA has endorsed it, certainly no question of their own salaries was involved! The student elite

cannot stop it, rather it may be undemocratic for them to do so considering where the students interests lie. It could be that only the CPUO could, but Macdonald has already declared in favour of it at the Ontario Liberal Policy Conference in August 1969.

The issue must be fought on whether students should be put on an open market to be educated and whether it does deal with the question of accesability. The rest are bureaucrat problems Queens Park will be quite adept at solving. Do you think the Federal Government will restrict american investment in it?

Lorenz Schmidt

UNIVERSITY OF GUELPH

MEMBERSHIP OF STUDY GROUP:

Mr. Ronald Kobylnyk

Mr. C.A. Frank

Mr. F. McCullough

Mr. P. Quinn

Prof. M. Steele

Mr. S. Whiston

Mr. W.G. Scott

DATE RECEIVED: May 5, 1970.

OFFICE OF THE PRESIDENT

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UNIVERSITÉ d'OTTAWA
REÇU
MAY 5 1970
PLANIFICATION ACAD.

April 27, 1970

Dr. Peter Morand, Chairman,
CPUO Sub-Committee on Student Aid,
University of Ottawa,
Ottawa, Canada

Dear Dr. Morand:

I enclose the report from the University of Guelph Committee established to evaluate OSAP and CORSAP.

Yours sincerely,

W. C. Winegard,
President

Enclosure

Part I - Evaluation of O.S.A.P. (Ontario Student Awards Program)

The following are perceived as problems arising from the present system of Ontario Student Awards Program:

A. Financial assistance to students is basically determined on the financial position of parents. Therefore, applicants are divided into two groups:

a) those students who are financially dependent on parents and

b) those students who are financially independent.

Because of restrictions in the determination of independent status as established by the Department of University Affairs, students are unable to obtain independent status even though they may be actually independent of their parents or their parents consider the children to be independent.

B. The Application for Award involves an annual means test including the financial status of the student and parents or spouse. With this information and tables of standard allowable expenses, an assessment is prepared of the amount of assistance that the student may receive. The mechanics of processing such an assessment involves considerable administrative work in assessing, checking and auditing and frequently results in delays in the students receiving their grant cheques from DUA.

1. Students who don't need assistance often receive aid because of

a) false declarations by students and/or parents

b) parents who are self-employed in business, or

c) parents who are on a farm income,

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whereas students who may need aid, do not always receive it.

2. No consideration is given for substantial variations in allowable expenses for parents either between income groups or for living costs in various locations. These are all determined by rigid tables of allowances.

C. Assistance is divided into two portions: grants which are not repayable and loans which are repayable within 10 years with a floating interest rate (presently 8 3/8%), approximately 2% below existing bank interest rates. The bulk of assistance is in the form of grants. The total maximum loan is $5,000.00.

1. Because grants are included in the present system, there is a great drain on Canadian taxpayers' money.

2. The existence of grants as a form of free money tends to attract more students to abuse OSAP than if the plan consisted only of loans. Thus, students may easily invest their loans at higher interest rates elsewhere and/or spend their grants on non-university items.

3. Students who earn scholarships based on proficiency are presently penalized because any awards in excess of $150.00 are deducted from the students' grants.

D. OSAP is designed to accommodate students enrolled in a two-semester programme.

1. A tri-semester student at the University of Guelph is at a disadvantage because he has no savings to augment his loan and therefore has insufficient money to cover his expenses in the first semester of the academic year. Cheques arrive late in the first semester, or even in the second semester after most of his expenses have been

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incurred.

In order to alleviate this problem, we would suggest that the following steps be taken:

a) grant cheques be prepared at the D.U.A. at the same time that the necessary documents for the loan portion are being prepared, with both sets of documents being released to the university.

b) these cheques be validated by the university upon confirmation of registration.

c) if the student withdraws from the university and is receiving any grant during that semester, that the university withold any refund of tuition and/or residence fees until a satisfactory solution for the repayment of this grant can be found.

E. In the event that allocated assistance was not adequate, students are allowed to appeal their award. Approximately 20% of the students submit appeals for review. Of these, about half of the students are successful in obtaining additional aid.

1. The processing of appeals is very slow by DUA. They take four to six weeks minimum and in many cases, much longer. This, of course, creates a period of hardship for the student as he does not know if his appeal will be granted and, therefore, this often leaves him, late in the semester, seeking other means of assistance.

2. Frequently, appeals based on parental inability to meet the support that DUA expects of them, are met with a request for a bank letter of no further borrowing power. Parents are expected to borrow, if necessary, to assist the student. Yet the DUA will not let the student borrow up to the maximum of $1,000.00 under the Canada Student Loan.

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F. Approximately 60% (3000 to 3500) students at the University of Guelph out of 5300 students are enrolled in OSAP. Of these students, we estimate that about 75% felt that they truly needed assistance. About the same proportion felt that they obtained as much aid as they expected.

1. Therefore, the present plan is serving a useful role to the majority of students.

2. Unfortunately, a substantial number, perhaps up to 20% or 25% of the students on OSAP have been abusing the plan by applying for assistance when it was not required.

Conclusion

The present assistance plan is handicapped by many problems. We would advocate the elimination of both a means test and allocation of grants. If OSAP was removed, an alternative all-loan plan such as CORSAP, along with major revisions, would probably aid students more fairly than at present.

In conclusion the Committee felt that if the present plan is to be continued it will need to be substantially revised and considerable attention will also have to be given to the administrative structure supporting the operation of the plan in order to make it more efficient.

Part II - Comments on the Contingent Repayment Student Assistance Program (CORSAP)

This portion of the report will comment on the particular version of CORSAP recommended by Gail C.A. Cook and David A.A. Stager[1] (henceforth referred to as CS). Briefly, they recommend

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(SC, 1969 pp. 266-268.)

1. The Ontario Government should establish an agency to finance student loans. The agency would have the power to issue bonds.

2. The agency would lend a student an amount equal to his tuition fee plus a living allowance.[2]

3. After ending his formal education, the borrower would be required to pay to the lending agency a flat percentage (7% is suggested in CDS) of his gross income until either a specified number of years has elapsed (in their calculations CS use 30 years, CS, p. 234[3], or the amount paid back equals the amount borrowed plus accrued interest, where the interest rate (called the "opt-out interest rate"), would be close to the market rate for consumer loans.[4]

4. The repayments required of a non-working wife would be based on some specified income level. CS suggest (p. 214) that this income level should be the average income earned by working women of the same education level.

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1 In their Report on Student Financial Assistance Program, (Institute for Policy Analysis, November, 1969).

2 CS actually recommends "living allowance, or a stipend to match estimated average foregone earnings" (p.266). The demands on the capital market the latter recommendation implies are so large (CS, p. 243) as to make it out of the question; this is apparently recognized by CS, for in the paper by them and A. Rodney Dobell, Student Aid Programs (Institute for Policy Analysis, December 1969) (henceforth called CDS) they do not include the alternative.

3 The current Ontario Student Awards Program requires that loans must be fully repaid within 10 years (CDS, Appendix A.); of course these loan repayments are not contingent on income and unlike the CORSAP loan the OSAP loans must be fully repaid.

4 CS apparently envisage a rate of between 8 and 12% (pp. 242, 244.)

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5. In the absence of a tax treaty, emigrants would be required to repay on essentially the same basis as non-emigrants.

6. The agency might also administer a program of grants allocated on the basis of demonstrated need.

Who Should Pay?

The fundamental issue raised by the CORSAP proposal is the extent to which a student rather than the whole community should be responsible for the cost of his education. CS support the orthodox position that the relation of society's share of the benefits to the student's share should be the same as the relation of society's share of the benefits to the student's share. CS consider (p. 189) one of the (external) benefits to society, the knowledge made freely available through published research. This aside, their discussion of external benefits consists largely of making the appropriate bow to economic theory by just mentioning these benefits in a general way. They give no judgements as to the order of magnitude of external benefits.[5] Yet there is one large and obvious external benefit: the difference between the tax paid by a graduate and non-graduate. It might be that the increase in income tax arising from the increase in gross income attributable to university education offsets the cost of that education. In that case, society should regard the investment in university education like an investment in any other capital good, such as a bridge, and finance it completely by issuing bonds

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[5] Except implicitly, in a rather casual use of external benefit to justify repayments proportional to income (p. 200).

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amortized over the working life of the individual educated. In fact, probably extra taxes paid do not completely offset the cost of education, but it is not unlikely that they do cover direct institutional costs not now covered by tuition fees. Any decision about changing tuition fees should certainly take this into account. Even better, estimated extra taxes paid should be calculated before CORSAP is put into effect to determine whether current tuition fees and maintenance should be state-subsidized.

A fundamental assumption made by CS is that a young person who is not old enough to vote or to drink alcohol is adult enough to weigh the costs and benefits of university education. Under CORSAP a person would probably take the second largest financial decision of his life at an age when current law says he cannot be held responsible for almost any debt he incurs. The income-contingent aspect of repayment greatly reduces this objection. But there should be some extra provision to look after students' mistakes. It would be a pity if students who discovered they were in the wrong program remained in it because of a very heavy financial penalty for switching. Universities would certainly not be more tension-free with the addition of a number of students feeling trapped by a decision they had made at eighteen.

The Basis of Repayments

CS says that the amount of the loan repaid should be based on the monetary benefits received from education. (pp. 188, 206, 213). They suggest, however, that repayments should be based on gross income. Now a university educated person's gross income does not represent the return to his education; rather the return is the

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difference between his gross income and the amount he would have earned if he had not gone to university. Basing the repayment on this latter, theoretically appropriate, amount would, however, require a repayment rate much higher than the 7% suggested. As a compromise, a repayment rate of somewhat more than 7% could be applied to gross income and those earning less than some floor in any year, say $4,000., could be excused from paying in that year.

CS, in their attempt to insure that non-working wives are not a drain on the system, recommend a system under which a woman staying home to look after an infant has to keep up repayments while a man or womwn traipsing about Europe does not (cf. CDS, p. 13). This reflects rather odd social values. A modification would prevent this anomaly. All borrowers might be allowed a period of, say, five years during which they would not have to keep up repayments, if their income was zero, no matter what the reason. In all other years those without income would have to show proof that they were involuntarily unemployed; otherwise payment would be required on the basis of the average income of working members of the same sex and education class.

Merit

Until recently academic merit has played an important part in determining who would get government aid. In particular, the Type A and Type B bursaries program first started in the early forties and continued for over two decades required the achievement of an average of 66 per cent (CS, p. 41). And from 1959 to 1967 the Ontario Government awarded scholarships of $400. to all students attaining an average of at least 80 percent in the Grade 13 examinations

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(Cs, pp. 43-48). In 1968 these scholarships were reduced to $150.

The Ontario Student Awards Program, initiated in 1967, represented a marked departure from earlier policy. Not only is there no incentive for academic merit included in the program; in addition, the program in effect practically removes all financial incentive for those receiving OSAP awards to try to win other awards, since all but the first $150 of any other award is deducted from the grant portion of the OSAP award.

CORSAP also contains no provision for rewarding academic merit. This is a serious defect. It is obvious that the external benefits from the education of a good student are greater than the external benefits from a mediocre student. This starts right at the stage when both are being educated. The good students help educate the poorer students by asking more penetrating questions in seminars and lectures, and by discussions of assignment question, outside class. Their achievement stimulates other students to try harder. The income tax return to the costs of education of the better students are also very probably greater than the income tax return to the education of the mediocre student. Finally, unless there is some financial reward for merit, the better students might choose to accept scholarships at universities in other provinces or other countries. This particular effect is likely to be of some importance if tuition fees are raised much above their current level and if scholarships from private sources do not increase proportionately to the increase in good students.

Conclusions

The committee agreed that:

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1. The CORSAP scheme is fundamentally an appropriate one provided it is modified by the inclusion of scholarships or free tuition to be awarded on the basis of academic merit only.

2. The CORSAP repayment proposal should be modified so that the first $4000. of gross income is exempt.

3. The proposal that borrowers without income should be allowed a period of five years during which they would not have to prove that they were involuntarily unemployed to avoid repayment is accepted, with the modification that the five year holiday is reduced to two. (This is the proposal that accommodates non-working married women; individuals without income are required to pay an amount based on the amount paid by individuals of the same sex, education and age class who are in the working force).

4. Employers should be required to pay a tax say, $100.00 per annum based on the number of university graduates employed. Self-employed graduates would pay the $100.00 themselves. This would help in university financing. At one level this is justified by the use by employers of universities as a sieving device that reduces their recruitment costs. At another level this is justified by the neutral effects of this tax on work incentives as compared with the effect of the CORSAP repayment proposal on work incentives. (After an adjustment period one would expect the salary of university graduates to be lower than it would otherwise have been by an amount somewhat less than the extent of the tax. If this tax were used to keep CORSAP payments low, the disposable income of university graduates, on average, would be substantially unaffected). Possibly a "leave" tax should be

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levied on emigrant graduates.

Respectfully Submitted:

Mr. Ronald Kobylnyk
Mr. C.A. Frank
Mr. F. McCullough
Mr. P. Quinn
Prof. M. Steele
Mr. S. Whiston
Mr. W.G. Scott

LAKEHEAD UNIVERSITY

MEMBERSHIP OF STUDY GROUP:

Dean J.W. Kerr Chairman	-	Dean of Students.
Mr. Albert Au	-	President of the Chinese Students Association.
Dr. D.G. Holah	-	Assistant Professor of Chemistry.
Mrs. J. MacLeod Secretary	-	Student Awards Clerk.
Mr. G. McLeod	-	Lecturer in English, Residence Director.
Mr. P. O'Brien	-	Chief Justice, AMS.

DATE RECEIVED: April 1, 1970.

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AREA CODE 807

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Lakehead University

PORT ARTHUR, ONTARIO, CANADA

UNIVERSITÉ d'OTTAWA
REÇU
APR 1 1970
PLANIFICATION ACAD.

OFFICE OF THE DEAN OF STUDENTS

March 31, 1970.

Dr. Peter Morand, Chairman
CPUO Subcommittee on Student Aid
University of Ottawa
Ottawa, Ontario

Dear Dr. Morand:

Enclosed please find the Lakehead University Brief on the report on Financial Assistance Programs by Drs. Stager and Cook.

The committee established at this university to deal with the Report consisted of the following members:

Dean J. W. Kerr, Dean of Students (Chairman)

Mr. Albert Au, President of the Chinese Students Association

Dr. D. G. Holah, Assistant Professor of Chemistry

Mrs. J. MacLeod, Student Awards Clerk (Secretary)

Mr. G. McLeod, Lecturer in English, Residence Director

Mr. P. O'Brien, Chief Justice, AMS

In spite of the heterogeneous nature of the committee, it was able to come to several agreements concerning OSAP, CORSAP, and related areas, all of which are outlined in the brief.

Yours truly,

J. W. Kerr

J. W. Kerr,
Dean of Students.

JWK/jm

LAKEHEAD UNIVERSITY COMMITTEE BRIEF ON THE REPORT ON FINANCIAL ASSISTANCE PROGRAMS

The committee invited to study the Report on Student Financial Programs has dealt largely with the present Ontario Student Awards Program (OSAP) and the proposed Contingent Repayment Student Assistance Program (CORSAP). Although the committee in the early stages studied in some detail the procedures and regulations of both the present program and the proposed program, the deliberations have concentrated on the basic principles underlying these programs on both the student and society. Consequently, all recommendations are of a general nature. The members of the committee arrived at unanimous agreement in most areas and at majority agreement in the remainder. The committee was in complete agreement in condemning many features of the present program and in recommending adoption of the proposed CORSAP program.

The committee felt that the present OSAP program although aiding approximately fifty percent of the students financially had many disadvantages:

1) Because of the growing difficulty in obtaining summer employment the student is contributing less to his educational costs while the taxpayer is absorbing more. It was felt that eventually a point would be reached where the tax structure would not support such an expansion in educational costs.

2) Because it has incorporated an extremely rigid parental means test the present program does not provide adequate help for all those in need of it. By making him dependent on his parents the regulations may destroy the independence of the student on the one hand and by not adequately taking into consideration the family situation the regulations may impose hardships on the family on the other hand.

3) According to the 1967 Annual Report by the Ontario Minister of Education the purpose of OSAP is to provide financial aid "solely on the basis of need, regardless of the level of academic achievement". The committee felt that this tended to downgrade scholarship and to encourage mediocrity. Although the report refers to "three factors influencing a student's likelihood of enrolling in post-secondary education," the regulations of

the present program seem to ignore the first two, ability and motivation and to emphasize unduly the final factor, financial resources.*

*Report Student Financial Assistance Programs, P. 93.

4) Scholarship and bursary awards in excess of $150 are substracted from the grant which the student receives. Consequently, most of the scholarships available have been reduced to $150 to accommodate the program. This further undermines any incentive for scholastic achievement that the student may have.

5) There are too many inconsistencies in the regulations of the present program. Although some students seem to be able to acquire a surplus of resources, others are forced to leave university because of financial problems. Unfortunately this seems to result from attempting to apply a formula to a large variety of student situations. Some student through luck or aggressiveness may earn a great deal of money during a summer while others may be unable to earn any at all. However, it is very difficult to ascertain how many students fall into either one of these two extremes.

The committee was in complete agreement that any plan to provide financial assistance for post - secondary education should be governed by three basic principles: financial aid must be readily available; at least a portion of the financial burden must fall on the student himself; non-repayable assistance must not be awarded to a student except on the basis of scholastic achievement. In arriving at this last principle the committee were in agreement that in the present plan no grant award should be given to a student who has failed a year in university until he has successfully passed and that in actual fact no grant award should be given to students who fell below an acceptable academic standard.

The committee felt that the CORSAP scheme would overcome most of the unacceptable features of the OSAP plan, and that it would be governed by the three basic principles mentioned in the previous paragraph. Unanimous agreement was reached on most of the following points concerning the CORSAP scheme:

1) A loan scheme places the financial onus for a university education directly on the student. He must repay the loan after completing his education. The student is encouraged to contribute from his own resources while attending university in order to minimize the size of his loan. This would reduce the

taxpayers' responsibility for the program once it has been in operation for a few years.

2) To make money readily accessible, there should be no parental means test. This suggestion while impossible under OSAP because of the grant portion of the award, would certainly be feasible in a loan scheme.

3) A student should be able to borrow the amount needed for his total educational and related costs. Consequently, a ceiling would be placed on the amount borrowed even though the ceiling might vary with each student according to his circumstances.

4) CORSAP could be operable with or without a means test for the student. A plan with no means test whatsoever could perhaps perpetuate the same type of student irresponsibility as exists at the present time under OSAP, although not to the same extent since there is no grant involved. On the other hand some members of the committee felt that a means test would tend to perpetrate more injustices than it would eliminate.

5) One aspect not covered by OSAP or CORSAP is that of academic scholarship. The former seems to have stifled it; the latter ignores it. Academic achievement and academic excellence should be encouraged. The most obvious method would be to reward achievement with grant or scholarship funds. In conjunction with CORSAP this could be done by a variety of methods. Grants could be given to the student for achieving a certain level of success, the amount of grant varying, or course, with the degree of success. Rebates on the amount borrowed could be established on the same type of sliding scale.

Consequently, it might be possible for a student to receive a grant or scholarship for the entire educational and related costs. Scholarship or grant funds, whether provided by the Federal or the Provincial Governments should be administered by the university rather than the government agency. The university should be placed in a position to assess it's needs and to apply the funds in those areas where they would be most beneficial to the university and to the students. It was felt that scholarship and grant funds in the hands of a central body would lead to the application

of a general formula and probably to the mediocrity of which this committee has been unanimous in its criticism. It was also felt that administrative costs of funds would be reduced if they were not processed both through government and university departments.

6) A suggested variation of the CORSAP scheme which received some support was the suggestion of a modified CORSAP scheme combined with the introduction of free tuition for all students. The scheme would then have to be available only to those who could not meet the related educational costs. Some felt that this situation would place the taxpayer in the position of paying one hundred percent of the costs of the educational program and that those benefitting from the program would not be bearing enough of the burden.

The committee was in complete agreement that some plan must be available to provide financial assistance to all those who need it to attend post - secondary school educational instituations. It was also agreed that any plan to benefit the student and society should encourage and recognize academic achievement. No program should stifle incentive on the part of the student to achieve excellence. The committee strongly recommends that a plan similar to the CORSAP scheme be adopted in the Province of Ontario as soon as possible.

LAURENTIAN UNIVERSITY

MEMBERSHIP OF STUDY GROUP:

Student Awards Officer

Professors

Students

DATE RECEIVED: April 15, 1970.

LAURENTIAN UNIVERSITY UNIVERSITÉ LAURENTIENNE

SUDBURY, ONTARIO, CANADA

STUDENT AWARDS OFFICE
BUREAU DE L'AIDE FINANCIÈRE

April 14, 1970.

Dr. Peter Morand, Chairman,
C.P.U.O. Subcommittee on Sudbury Aid,
University of Ottawa,

Dear Dr. Morand:

As proposed in Circuletter 543 from the Committee of Presidents of Universities of Ontario, a study group has been formed here at Laurentian University to study financial aid to students at the undergraduate level. This committee consists of professors, students and the student Awards Officer.

In order to draw up a report representating opinions of a cross-section of the university community, we have solicited the views of the scholarship committee. This committee consists of the President, Vice-President, deans, registrars, professors, and a post-graduate student. The two students on the study group have been appointed by the post-graduate student on scholarships committee on the recommendation of the S.G.A. They will be presenting the views of the student body. Following is a report from

(1) Student Awards Officer

(2) Students on Committee

(3) Professor on Committee

Report from Student Awards Officer

(1) I believe that O.S.A.P. has been a tremendous financial aid to students who would not otherwise have been able to attend university. It is certainly reaching people in the lower socio-economic bracket at Laurentian University. The average gross income of parents of dependent students was $7,046.00 for 1969-70. Sixty seven percent (67%) of our student body received awards.

However there are many students who cannot carry on with the amount of money available under O.S.A.P. These students are mostly the ones whose parents' income is such that they should be helping but cannot

or will not. I find from my interviews with these students that they are not looking for grants but for loans. If O.S.A.P. continues on the Loan-Grant basis I believe these students should be able to borrow up to the $1,000.00 each year without proof of parents' inability to pay, provided the student is over 21. This would make available for them money that was very badly needed.

The primary goal of O.S.A.P. has been to ensure that inadequate income or wealth do not bar qualified students from post-secondary education. I believe that on the whole it has reached its objective up to this time, but changes in it probably should be made.

(11) The burden must be shifted from the present general taxpayer to future taxpayer who has benefitted from higher education, with the student financing himself through loans to be repaid later on the basis of his income. I am inclined to agree with the Cook-Stager recommendation they call Corsap, and do not believe that loans act as a severe discouragement for students from lower income families, or higher income families. Once he gets to university the student is more concerned with having the necessary money available.

(111) The C.C.F.K. survey concluded that educational decisions were influenced by social and economic class biases and that these biases determine in Grade 9, rather than Grade 13, whether a student will continue to post-secondary education. I don't believe that this enters into our particular studies here, but certainly is a problem, I believe, to be studied further to make sure all students are given the opportunity to be prepared for post-secondary schooling. Could the Ontario streamlining at Grade 9 level be eliminated?

Report From Students On Committee

The Stagger Commission's report seems to base the question of financing higher education on the equation Cost of education to Society-Accrued gains to society. (Par. 3 pge. 9 Stagger's res.)

The question arises as to whether the issue of such gains is a strictly economic one, in a purely monetary sense. There is more to econometric equation than market value of the commodity (graduate). Social gains accrued surely include reduced social costs in educating individuals to a capacity to respond to change. In the devastating changes to be expected in the next half century, it is important to be sure that our people will obtain education which is related to personal development and sociological stability, rather than their own, sometimes

artificially and externally imposed, financial need. The purely short-form monetary equation is too short-sighted to be in society's best interest. People from all roles in the community must use the university, the burden for its support thusly distributed, and if every attempt to achieve the necessary 'upgrading' of skills and personal and social awareness is charged against the Individual, then the necessary incentives for the social survival measure will be lacking.

Perhaps I am writing to a stone wall the people who have to pay the bills most right now and in the short term perspective will not be alive to share the long term responsibility of having dictated the form of education in our society.

So the question remains posed by Stagger, to what extent do we allow the arbitrary market laws of supply and demand to influence the educational process, and what is the larger view of 'economics' which must be employed in looking at education. Personally, I stand to gain from a situation such as the Educational Opportunity Ban. The 'anti-inflationary' slowing down of the educational system will result in a far greater squeeze in my particular specialization than already exists. This will mean that I can demand and get even higher salary from the Industrial Establishment. However, as mentioned before, my belief is that such gains would be short lived, as the fore-mentioned adaptation-shock that is already rampant in our culture will probably completely destroy our ability to interact as people in society. At a time when its participation in the society should be becoming almost 'universal', the university (and related true educational opportunities) should not be restricted to those who have the 'guts' to face the gamble that they can 'make it' to the upper echelon of administrators and technocrats. The EOB will destroy the concept of a general educational background. Its costs will be prohibitive in terms of its <u>individual</u> benefits. If the purely monetary motive is thus placed as the even <u>more</u> dominant reason for education, a continuation of the growing resentment among students who feel that they came "just to get an education" (monetary objective instilled by elders and society) and wound up with a big debt, a B.A. and a mediocre job, can be expected. Since it is the aforementioned class of students who presently represent the majority in our relatively stable Canadian universities, then selling them down the river will increase the frustration and resentment

on campus by those who realize what has happened, and in the society at large when those who do not realize on campus finally get the picture. The situation is already bad enough, as may be seen by rumblings from the lower middle class (teacher demends etc.) in Canada and the U.S.

It would seem that because the society as a whole benefits from the education of its 'intelligencia', (or at least it is pretended that it does, and believed that it should), then the question is how to increase rather than decrease social benefits of education, and if the ideal can be reached of everyone sharing, at least indirectly , in the maturization of citizens via the university, then the cost should be joyfully borne by the whole of society. I do not believe our society need fail, or dare fail to do this.

It has been suggested that the EOB would relieve stress on the lower income groups, but if education represented the proposed 7% gross income tax imposed on its partakers, the burden of this would shift the funds of many of the poorly employed B.A.'s right out of what they went to university for-class distinction. Considering that these people could be most effective in helping to win the war of re-adjustment in the coming century it would not 'pay' to alienate them.

A suggestion may be made that a 'creativity bank' be established. Rather than basing funds to education on the economic need alone, such funds might be made available to provide an opportunity to engage at the undergraduate level in creative and critical studies of any area of personal and social relevance. There are university education schemes presently being undertaken which indicate the possibility of such meaningful educational opportunity (Waterloo). Funding of such a scheme may be based on an industrial profit surcharge. Since corporate profits depend largely on 'cheap' university training, the section of the society obtaining greatest benefit from education would then be paying for it. Further, such a fund for education of both undergraduate and returning student would insure that there is a viable population capable of keeping the industries going in the future.

Report From Professor on Committee

(1) I think the existing POSAP programme, while good, should be phased out and replaced by the recommendations of the Cook-Stager report as soon as possible.

(11) I agree with most aspects of Cook-Stager. However, I wonder whether there could not be a sliding scale of repayment. The opt-out formula could remain, but under no conditions would a social worker have to repay at the same percentage of his salary as a surgeon.

Also, I would cancel the negative dowery of mothers. Mothers who have to stay home with small children are being punished enough and are doing enough for society, even if their husbands do not assume their negative doweries.

(111) No suggestions.

The students on this committee would like to make some further studies on student financial aid and submit it to you later on in the summer.

Thank you for giving us the opportunity to pass along our suggestions.

Yours sincerely,

(Mrs.) C.S. Hoffman

C.S. Hoffman,
STUDENT AWARDS OFFICER.

CSH/ph

MCMASTER UNIVERSITY

MEMBERSHIP OF STUDY GROUP:

Dr. J.D. Brasch

Mr. S. Mestelman

Mr. W.N. Paterson

Mr. A. Skerrett

DATE RECEIVED: April 7, 1970.

McMASTER UNIVERSITY
HAMILTON, ONTARIO, CANADA
PRESIDENT AND VICE-CHANCELLOR

A-52

April 1, 1970

UNIVERSITÉ d'OTTAWA
REÇU
APR 7 1970
PLANIFICATION ACAD.

Dr. Peter Morand, Chairman,
CPUO Subcommittee on Student Aid,
University of Ottawa,
Ottawa, Ontario.

Dear Dr. Morand:

Enclosed please find two copies of the Report of the Review of Ontario Student Aid Programs by McMaster University Study Group. I know that our group has given careful consideration to the various materials presented to it and I am sure you will find their comments and suggestions useful to your Committee.

Sincerely,

A. N. Bourns

A. N. Bourns,
Acting President.

ANB:lm
Enclosures

cc: Dr. J. B. Macdonald

April 1, 1970

Dr. Peter Morand, Chairman,
CPUO Subcommittee on Student Aid
University of Ottawa,
Ottawa, Ontario.

Dear Dr. Morand:

Re: Review of Ontario Student Aid Programs
by McMaster University Study Group

The McMaster Study Group discussed the three categories most likely to influence a student's desire to enroll in a university: "ability, motivation and financial resources" (Gail C.A. Cook and David A.A. Stager, Student Financial Assistance Programs, November 1969, p. 93). Generally we agreed that the first category is subject to objective criteria and noted that any student in Ontario with proven ability has access to financial support. Subject to a means test, that support can equal the total cost of university education.

The second factor, motivation, would appear to be a major aspect of aid programs (see 'summary' pp. 162-3), but the Study Group sees little chance of overcoming educational hesitancy by means of financial aid to education. Much attention must be given to finding a solution for problems of the poor, the underprivileged, the poorly motivated and the culturally deprived in the general area of education, but such programs should not be tied absolutely to programs of aid to education.

Most important, therefore, are recommendations on the present aid program (OSAP), an appraisal of the proposed CORSAP and suggestions for studies and considerations which should precede any radical adjustment of the assumptions underlying the present system.

I. Existing Programs

The Study Group feels that the financial resources now provided by OSAP extend sufficient support for most students to fulfill their expectations through three or four years of university. The chief difficulties with the present aid program appear to be in the area of minor adjustments in the means schedules which would help to make the system more equitable for all students. Accordingly the Study Group forwards the following specific recommendations:

a) a greater allowance should be given for dependent children

b) the basic allowance for parents should be increased

c) a greater allowance should be made for working mothers - $250 is inadequate

d) the parental contributions table needs further revision to improve the aid provided for the children of families in the $6,000 to $10,000 income bracket (see p. 108)

e) allowances for summer savings should be increased

f) increased loans above the $600 maximum should be more readily available

g) the grant-loan distribution should be restructured in such a way that the grant portion of a student award is greater in the first and second year of university than in the third and fourth years. Although the students total award over the four years may not differ from that under the present OSAP scheme, the initial award will be more grant than loan, while later awards will be more loan than grant.

This may attract students to the university who were previously undecided, and would tend to provide provincial grants during the stage in a student's education when a greater percentage of returns are 'social' in nature.

h) some shift in emphasis from grants to loans would make considerably more money available to students without substantially increasing the total amount contributed by the Province of Ontario (see p. 73, table II.8).

II. The Cook-Stager Report

Generally speaking, the Study Group appreciates and approves of the Contingent Repayment Student Assistance Program (CORSAP) described in Section VI. 1 of the Cook-Stager report. The following comments and suggestions are intended for consideration within the general scheme of CORSAP.

It must be recognized that the prime reasons for education are:

a) up-grading or increasing the individual's life-time earnings;

b) increasing personal knowledge and awareness, including service to society, and

c) benefiting the society at large

Even though a student who chooses to go to university gives up several years' income and expends some of his human capital, it must be assumed that 'a' and 'b' are primarily the responsibility of the individual. The benefits of 'c' may be considered largely the responsibility of society and, therefore, the chief rational for government subsidy to education. In addition it may be assumed that the first year of university promotes 'c' to a greater extent than 'a' or 'b', and that a fourth year of undergraduate work (or M.A. or Ph.D. residence, for that matter) primarily promotes 'a'. Presumably, therefore, 'a' and 'b' should be supported by loans, while 'c' may be justified under a grant program.

The Study Group recommends, therefore, that the CORSAP proposal be adjusted to reflect a gradual increase in the student's upgrading so that while the first year of university is primarily grant, the loan burden is gradually increased(repeaters are entitled only to loan assistance). By graduation the student is borrowing all of the money necessary to maintain him at the university. This would provide a gradual transition from the grant assumptions prevailing in the elementary and secondary schools and also provide a structure which would attract students who because of sociological or cultural factors are reluctant to borrow even the $150 now required in order to benefit from OSAP.

The Study Group is not unaware of the serious implications of such a program for graduate studies, if the principle of upgrading were applied to graduate studies as is proposed for undergraduate, even though the present report is focused on undergraduate education. Many of the financial implications are mitigated by the fact that most graduate students are 'employed' by the universities where they study, but it should be recognized that the radical change proposed in CORSAP should also give rise to an examination of the finances of graduate education.

III. Future Studies

The Cook-Stager report is narrowly financial in its assessment of higher education in Ontario and considerable investigation should preface any such radical proposal as that suggested by CORSAP. For example, we should study very carefully any attempt to direct and release the talent and energy of youth by saddling almost the entire student capital with a considerable, and perhaps even permanent, debt. Some extensive studies on student motivation should be undertaken, especially concerning the relative merits of grants and loans. It may be that CORSAP is economically feasible, but if student response declines substantially, nothing will have been achieved. There is already a great deal of disenchantment with university structures in many student quarters and the burden of a loan would probably serve to intensify such feelings whether they are justified or not.

The relationship between extensive student self-financing and student involvement in educational decisions should be carefully investigated. The Cook-Stager report, for example, proposes a method of financing the 'exploding' costs of education. No attention is given to stopping the 'explosion', but the role of students in such decisions should be considered.

If operating expenses and a proportion of capital expenditures are to be paid out of student tuition on a more or less actual cost basis, the future relationship between professor and student should be carefully considered. Moreover, many students view the plan primarily as a scheme to raise tuition. The nature of education in a system where almost every student is concerned with paying back a large loan to the government, may not be conducive to the depth, excitement and preparation for leisure which one hopes future Canadians will desire for themselves and their children.

Conclusion

The McMaster Study Group supports CORSAP with serious reservations, and feels that with the grant-loan adjustment recommended above some measure of justice and equality might be shared by all students and the needs of society provided for. Some hesitation should accompany a proposal which ignores the evidence that abolishing fees altogether would actually and symbolically provide a wider spectrum of opportunity for all students. Moreover, it must be remembered that the government already completely subsidizes all levels of education except undergraduate students.

At any rate it is of utmost importance, before any legislation is undertaken, that detailed

statements of financing be developed for study by the entire university community of Ontario.

The Cook-Stager models are suggestive, but hardly define the probable effects of such a radical change in financing education in Ontario.

Respectfully submitted,

Dr. J. D. Brasch

Mr. S. Mestelman

Mr. W.N. Paterson

Mr. A. Skerrett

UNIVERSITY OF OTTAWA

MEMBERSHIP OF STUDY GROUP:

Reports submitted separately by:

1. Student Financial Aid Office
   (Mr. C. Laurin)

   DATE RECEIVED: June 10, 1970.

2. University Counselling Service
   (Dr. S. Piccinin)

   DATE RECEIVED: March 10, 1970.

   ADDENDUM: August, 1970.

3. Students'Federation - University of Ottawa

   Mr. H. Segal - President and Commissioner for Information

   Mr. M. Leduc - Commission for Representation

   DATE RECEIVED: July 13, 1970.

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BUREAU DE L'AIDE FINANCIÈRE AUX ÉTUDIANTS

UNIVERSITY OF OTTAWA
STUDENT FINANCIAL AID OFFICE

OTTAWA 2, CANADA

A-58

MEMORANDUM

UNIVERSITÉ d'OTTAWA
REÇU
JUN 10
PLANIFICATION

TO: Dr. Peter Morand
Assistant Vice-Rector
(Academic)

FROM: C.L. Laurin

SUBJECT: Review of P.O.S.A.P. - Cook-Stager Report.

1. Attached is a study of P.O.S.A.P. and the Cook-Stager Report.

2. Dr. Sergo Piccinin submitted several weeks ago a study in March 1970.

3. The Students Union will shortly submit its views.

4. Discussions with professors brought out the following salient points:

   a) they would prefer a loan programme rather than a combination of loans and grants;

   b) they would like to see a programme whereby students could borrow money, within reasonable limits, so that they would have no financial worries during the academic year;

   c) they would favour a programme through which students who consider they should be independent of their parents upon entering university would have access to loans;

   d) they feel that scholarship winners should not be penalized through the deduction of value of the award over $150.

5. The above comments have not been included in the review because they or closely related matters have been studied and discussed, in the past by the Department of University Affairs and the Association of Awards Officers.

June 10, 1970

C.L. Laurin,
Director.

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OTTAWA 2, CANADA

A review of P.O.S.A.P. and the Cook-Stager Report
prepared in Student Financial Aid
The University of Ottawa

Examine the P.O.S.A.P. and make suggestions for improving the programme.

1. In examining the P.O.S.A.P., the policies of the Federal and Provincial Governments should be in the forefront, as any suggestions to improve the Programme that are not within the framework of either governments regulations will be unrewarding.

2. Therefore the following basic principles are repeated for ready reference:

   a) (i) "The purpose of the C.S.L. is to make bank loans available to students who need financial help to enable them to engage in full time studies directed towards a degree or diploma at universities or certain other educational institutions above the high school level".

   (ii) "Have established that you really need a loan to assist you in your educational costs.....

   b) (i) "The Ontario Student Awards Program is intended to supplement rather than replace family/student resources.....

   (ii) "The parent and student are considered to have the primary responsibility.....

3. While comparisons should not be made nor should they serve as an encouragement to retain status quo, it should be observed that P.O.S.A.P. when compared to that of its nearest neighbour is generous, easily applied and quickly handled.

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4. A cursory examination of the statistics for 1968-69 provided by Mr. A.P. Gordon (6 Mar 70) to the Ontario Committee on Student Awards will tend to indicate that much criticism of the programme has been based on heresay, exceptional or isolated cases and perhaps an erroneous conception of the regulations. It would appear that many who seek changes have been mainly calling for the disappearance of the parents' and students' responsibility through the abolishment of the means test and summer savings.

5. On all campuses there are rumours of incorrect information being supplied on application forms in order to secure higher awards. The Department now has a verification section.

6. While the Programme is reviewed every year by the Department of University Affairs and the Association of Awards Officers of the Universities of Ontario, and adjustments are made to ensure that higher costs are not entirely borne by parents and students, it is considered that there are certain new areas which require study, such as:

   a) Federal Income Tax, should the allowance for a dependent child attending university be greater than for one in secondary school?

   b) Retirement, should the contributions by parents close to retirement be the same as for those who are not?

   c) Loans to parents, could short term loans be made (September-April) to parents in the upper income brackets who are unable at the moment to pay tuition fees?

   d) Basic/moderate living, should the needs of students in the senior years or in professional schools be assessed at basic or moderate levels.

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Examine the Cook-Stager Report and Similar Educational opportunity Bank Schemes and make recommendations regarding the feasibility of such loan programmes.

7. The Cook-Stager Report, with certain innovations appears to be a continuation of Studies that have made in the United States, for over a decade, on the creation of an Educational Opportunity Bank to replace State and Federal Educational Opportunity Loans Programmes but here not been brought to fruition because of conflicting interests and the enormous fund required.

8. A programme based entirely on loans would present the following advantages and disadvantages:

   a) students would withdraw sooner if their results were poor;

   b) they would be keener on seeking summer earnings:

   c) mature students including drop-outs would accumulate greater savings;

   d) scholarly students might hesitate seeking two or three degrees without interuption;

   e) dilettante students might not wish to bear full costs;

   f) enrolment in certain disciplines might suffer if rewarding unemployment opportunities are limited;

   g) enrolments might level off if students were expected to pay greatly increased tuition fees.

9. If a national programme with bigger loans is authorized. Canada Student Loan funds would have to doubled or tripled to between 200 and 300 million dollars. From 1 July 1969 to 31 March 1970 118,638 Canada student Loans amounted to $77,176,798.

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10. It is recommended that the repayment plan suggested be reviewed in the following areas:

a) should the tax payer be called upon to forgive living and other costs in addition to fees?

b) should longer repayment delays be granted to borrowers from an Educational Bank than from Central Housing and Mortgage?

c) it appears that repayment aspect of a "negative dowry" is the only consideration, the broader aspect of a university educated mother giving her children a worth-while informal education is never mentioned,

d) should persons close to retirement be eligible to borrow.

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Suggest areas where further studies be made relevent to financial aid to students at the undergraduate level.

11. Pending the outcome of a full study and in view of the fact that both the Department and the Association of Awards Officers are constantly review a good programme little comment is offered under the above heading, except to suggest that if a loan programme is inaugurated, the value of fees paid might be forgiven to those who achieve a certain standing providing they were not awarded entrance or other scholarships.

June 9, 1970

REPORT FOR THE UNIVERSITY OF OTTAWA STUDY GROUP ON STUDENT FINANCIAL AID

prepared by the

University Counselling Service

March 1970

INTRODUCTION

This submission has two parts. The first part is a report on the family incomes of University of Ottawa Freshmen entering the university in September 1969. Comparisons are also made with the family incomes of students who entered University of Ottawa in 1966, 1967 and 1968. At the end of this first part is found a table comparing the family incomes of Canadian families (1967), of Ontario (1967) and Quebec families (1967) and the families of University of Ottawa freshmen in 1969. It is hoped that the information in Part I may provide useful background information.

Part II of this report presents brief comments and questions related to student financial aid schemes.

In each of the past three years, the University Counselling Service has circulated reports on the family incomes of entering freshman students of the University of Ottawa. The following is a brief report on the family incomes of the 1969-70 University of Ottawa Freshmen. Comparisons are also made with incomes reported by freshmen in previous years.

Data on family incomes of freshmen is obtained in the confidential Information Form completed by entering students during the Orientation testing session in September 1969. The question dealing with their total family income was altered slightly in 1969 to give more precise information. In previous years ('66, '67, '68) the upper category of the family income question grouped all students reporting family incomes of $15,000. and above. This year, the upper category was divided into three others: $15,000. to 19,999., $20,000. to 24,999., and $25,000. or more. The question of income read as follows:

16. TOTAL FAMILY INCOME (father, mother, child who contribute to the total family income):

1. Less that $3,000
2. $3,000 - $4,999
3. $5,000 - $9,999
4. $10,000 - $14,999
5. $15,000 - $19,999
6. $20,000 - $24,999
7. $25,000 or MORE

Table I presents a frequency and percentage distribution of the reported total family incomes of the 1969 University of Ottawa freshman students as well as for the families of freshmen in the three previous years.

The attached histogram (Figure I) illustrates the distribution of freshman students at the University of Ottawa in 1969-70 according to language group and annual family income and also provides a comparison with 1968-69.

The following points are salient:

1. As in previous reports on family income ('66, '67, '68), the English language freshman students are still generally from families with higher incomes than the French language freshman students. In fact, the difference in reported family incomes between the two language groups has actually increased in 1969-70 from its size in 1968-69[1]

[1] See Report 1-69: Family Incomes of University of Ottawa Freshmen. Copies of this report are available on request from the Counselling Service.

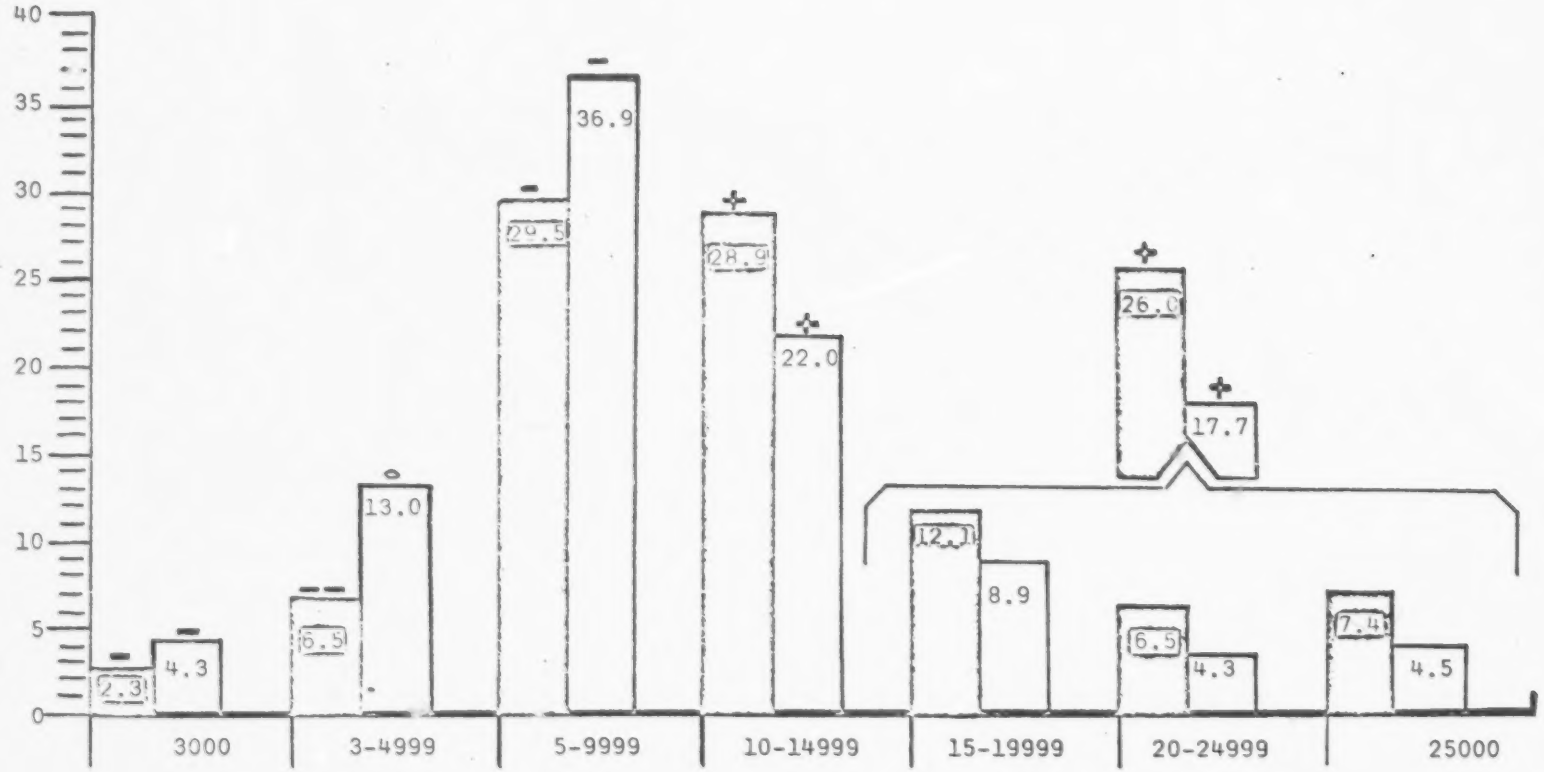
TABLE I

Distribution of Family Income (Total) of University of Ottawa
Freshman Students Presented by Year of Registration and Language Group

GROUP	YEAR	N	FAMILY INCOME (TOTAL)											
			UNDER $3,000		$3-4,999		$5-9,999		$10-14,999		OVER $15,000		INCOMPLETE	
			n	%	n	%	n	%	n	%	n	%	n	%
ENGLISH-SPEAKING	1966	278	13	4.6	39	14.0	98	35.2	57	20.5	42	15.1	29	10.4
	1967	400	11	2.8	40	10.0	132	33.0	96	24.0	79	19.8	42	10.5
	1968	485	26	5.4	57	11.7	176	36.3	122	25.1	75	15.5	29	6.0
	1969	339	8	2.3	22	6.5	100	29.5	98	28.9	88	26.0	23	6.8
FRENCH-SPEAKING	1966	258	20	7.7	65	25.1	87	33.7	29	11.2	31	12.0	26	10.0
	1967	381	28	7.4	85	22.3	141	37.0	53	13.9	43	11.3	31	8.1
	1968	378	27	7.1	58	15.3	153	40.5	73	19.3	45	11.9	22	5.8
	1969	463	20	4.3	60	13.0	171	36.9	102	22.0	82	17.7	28	6.1
TOTAL	1966	536	33	6.1	104	19.5	185	34.4	86	15.8	73	13.5	55	10.2
	1967	781	39	5.0	125	16.0	273	34.9	149	19.1	122	15.6	73	9.5
	1968	863	53	6.1	115	13.3	329	38.1	195	22.6	120	13.9	51	5.9
	1969	802	28	3.5	82	10.2	271	33.8	200	24.9	170	21.2	51	6.4

FIGURE I

Distribution of Freshman Students at University of Ottawa in 1969-70 According to Language Group and Annual Family Income



a) Whereas in 1968-69, there were 9.4% more English-speaking than French-speaking students from families whose incomes were $10,000. or more, this year (1969-70), 15.2% more English-speaking than French-speaking students come from the same income categories.

b) In 1968-69, there were 5.3% more French-speaking than English-speaking students from the lower family income categories (below $5,000.). This year, 1969-70, this difference has increased to 8.5%.

2. Freshmen in 1969-70 are from families with higher incomes in general than those in 1968-69. This is the case for both language groups. For instance, compared to 1968-69, there are 14.3% more English language freshmen and 8.5% more French language freshmen from families with incomes of $10,000. or more in 1969-70. There are comparable decreases in the numbers of English and French language freshmen from the lower income categories (below $10,000.).

3. Just as in 1968-69[2], the 1969-70 English language females are slightly more numerous than the males in the upper brackets of family income. There are 8.7% more females in the $10,000. or more categories (Females, 59.8%· males, 51.1%). (See Table II). There is no notable difference in the reported family incomes of male and female French language freshmen in 1969-70. (See Table II).

4. Approximately twenty percent of the freshmen who took the orientation tests in English reported that their mother tongue was French. This group was isolated and compared to the French-speaking students as well as to the other English-speaking students (See Table III)

It is perhaps interesting to note that, whereas 56.2% of the other English-speaking students reported family incomes of $10,000. or more, only 39.7% of the French-speaking students reported incomes in this bracket. On the other hand, of those students who preferred to take

[2]See Report 1-69: Family Incomes of University of Ottawa Freshmen. Copies of this report are available on request from the Counselling Service.

.....

TABLE II

Distribution of Family Income (Total) of University of Ottawa
1969-70 Freshman Students Presented by Language Group and Sex

GROUP	SEX	N	FAMILY INCOME															
			< $3,000		$3-4,999		$5-9,999		$10-14,999		$15-19,999		$20-24,999		> $25,000		INCOMPLETE	
			n	%	n	%	n	%	n	%	n	%	n	%	n	%	n	%
ENGLISH-SPEAKING	MALES	192	6	3.1	15	7.8	57	29.7	53	27.6	23	12.0	10	5.2	12	6.3	16	8.3
	FEMALES	147	2	1.4	7	4.8	43	29.2	45	30.6	18	12.2	12	8.2	13	8.8	7	4.8
	TOTAL	339	8	2.3	22	6.5	100	29.5	98	28.9	41	12.1	22	6.5	25	7.4	23	6.8
FRENCH-SPEAKING	MALES	265	11	4.2	39	14.7	103	38.9	53	20.0	26	9.8	9	3.4	13	4.9	15	5.7
	FEMALES	198	9	4.5	21	10.6	68	34.3	49	24.7	15	7.6	11	5.6	8	4.0	13	6.6
	TOTAL	463	20	4.3	60	13.0	171	36.9	102	22.0	41	8.9	20	4.3	21	4.5	28	6.1

TABLE III

Frequency and Percentage Distribution of Family Incomes of French- and English-Speaking Students As Well As of English Language Students Whose Maternal Language is French, 1969-70

GROUP	N	FAMILY INCOME (TOTAL)															
		< $3,000		$3-4,999		$5-9,999		$10-14,999		$15 19,999		$20-24,999		> $25,000		INCOMPLETE	
		n	%	n	%	n	%	n	%	n	%	n	%	n	%	n	%
FRENCH-SPEAKING	463	20	4 3	60	13.0	171	36.9	102	22.0	41	8.9	20	4.3	21	4.5	28	6.1
ENGLISH-SPEAKING (MATERNAL LANGUAGE FRENCH)	65	3	4.6	6	9.2	23	35.4	17	26.2	8	12.3	3	4.6	3	4.6	2	3.1

the tests in English but who report their maternal language as French, 47.7% are from families with incomes of $10,000. or more.

5. Some additional data which may prove informative is found in Table IV. Presented here in one table is a comparative percentage distribution of family incomes in Canada, in Ontario and in Quebec as provided by the Dominion Bureau of Statistics[3]. Also included are the family incomes of English and French language freshmen entering University of Ottawa in September 1969.

   It is clear from this table that University of Ottawa Freshmen tend to come from upper income families.

[3] Income Distribution and Poverty in Canada, 1967, Preliminary Estimates.

TABLE IV

Percentage Distribution of Family Incomes for National, Provincial and University of Ottawa Freshman Groups

GROUP	UNDER $3,000	$3-5,000	$5-10,000	$10-15,000	OVER $15,000
D.B.S. NATIONAL 1967	13.3	16.4	47.7	16.5	6.0
D.B.S. ONTARIO 1967	9.5	12.7	49.1	20.8	7.8
D.B.S. QUEBEC 1967	12.8	17.8	48.1	14.4	6.0
U. OF O. ENGLISH 1969	2.3	6.5	29.5	28.9	26.0[a]
U. OF O. FRENCH 1969	4.3	13.0	36.9	22.0	17.7[a]

[a]The sum of these percentages is just short of 100%.
Some students either did not or could not provide this information.

PART II

SOME COMMENTS RE: STUDENT AID PROGRAMS FOR ONTARIO

1. The comments about POSAP and CORSAP and the reservations concerning the CORSAP Scheme in the report of the Sub-Committee on Student Aid are reasonable and commendable.

2. It is felt that in view of the apparent lack of adequate up-to-date information about the effectiveness of the present POSAP scheme, and since several studies presently underway may provide very valuable data and information on which to base a new student aid program, no new plan be initiated until all the reports of studies in progress are available.

3. Greater communication and coordination of the studies in the area of student aid by the several bodies concerned would seem desirable, i.e. Commission and Post Secondary Education, the Committee of Presidents, the Council on Graduate Studies, Dr. Pike's Study, Dr. Watson's Study.

4. To what extent has POSAP since its inception enabled more able students from the lower socio-economic groups to enter post secondary education? Available statistics still indicate that university students in Ontario are overwhelmingly from the upper income groups.

5. It is not likely that any student aid plan alone can compensate for the economic and social cultural factors which operate to influence the students decision to receive higher education. The task of equalizing social and economic opportunity must be seen in the broad perspective of the total social and economic development of society and its individuals.

6. Cook and Stager suggest that the "negative dowry" aspect for women of CORSAP is not likely to be a detriment to their scheme. In support of their position they cite the reports of student awards officers at post-secondary institutions in Ontario. It is not clear what number or proportion of awards officers they questioned. Would it not seem reasonable to survey the woman students themselves about this?

Addendum to

Report 1-70

FAMILY INCOMES OF UNIVERSITY OF OTTAWA FRESHMEN

prepared by the

University Counselling Service

August, 1970

The attached table presents a breakdown of the total family incomes of the freshmen students entering the University of Ottawa in September 1969 by the province from which the students came, as well as by language group and sex. This brief report is to be added to Report 1-70 which was circulated recently by the Counselling Service.

The following are some of the observations which can be made from inspecting the data in the attached table.

A total of 802 freshmen participated in the post-admissions orientation testing program of September 1969. Of those who gave useable responses to the question on their family incomes on the confidential Information Form, 703 indicated their province of residence to be Ontario or Quebec. The remaining 99 are from other provinces or countries.

Thus 86.6% of the participating students are from either Ontario or Quebec. Of the 703 students, just over 1/3 or 36.35% are from Quebec and 63.65% are from Ontario. The proportion of English and French language students from each province is very different. Forty-nine (49%) percent of the students from Ontario are francophone and about 51% are anglophone. Of the students from Quebec, 90% are francophone and only 10% anglophone.

Inspection of the reported family incomes of these freshmen indicates that approximately 60% of the anglophones from both Ontario and Quebec are from families with incomes of $10,000 or more and that about 40% of the anglophones are from families with incomes below $10,000.

In the case of the francophones from both Ontario and Quebec, the situation is reversed. That is, only about 40% of them are from families with incomes of $10,000 or more and 60% report they are from families with incomes of less than $10,000.

.....

Distribution of Family Income (Total) of 1969-70 University of Ottawa Freshmen Students Presented by Province, Language Group and Sex.

	N	FAMILY INCOME (TOTAL)													
		less than $3,000.		$3-$4,999.		$5-$9,999.		$10-$14,999.		$15-$19,000.		$20-$24,999.		$25,000. or more	
		n	%	n	%	n	%	n	%	n	%	n	%	n	%
ONTARIO															
Francophone															
Males	109	5	4.59	20	18.35	39	35.78	18	16.51	15	13.76	6	5.50	6	5.50
Females	86	4	4.65	14	16.28	29	33.72	22	25.58	7	8.14	4	4.65	6	6.98
TOTAL	195	9	4.62	34	17.44	68	34.87	40	20.51	22	11.28	10	5.13	12	6.15
Anglophone															
Males	139	3	2.16	9	6.47	49	35.25	42	30.22	21	15.11	7	5.04	8	5.76
Females	113	1	0.88	5	4.42	36	31.86	38	33.63	16	14.16	10	8.85	7	6.19
TOTAL	252	4	1.59	14	5.56	85	33.73	80	31.75	37	14.68	17	6.75	15	5.95
QUEBEC															
Francophone															
Males	134	5	3.73	15	11.19	60	44.78	29	21.64	12	8.96	5	3.73	8	5.97
Females	98	5	5.10	7	7.14	41	41.84	27	27.55	8	8.16	7	7.14	3	3.06
TOTAL	232	10	4.31	22	9.48	101	43.53	56	24.14	20	8.62	12	5.17	11	4.74
Anglophone															
Males	8	0	0.00	2	25.00	2	25.00	3	37.50	0	00.00	1	12.50	0	00.00
Females	16	0	0.00	2	12.50	3	18.75	4	25.00	1	6.25	1	6.25	5	31.25
TOTAL	24	0	0.00	4	16.67	5	20.83	7	29.17	1	4.17	2	8.33	5	20.83

In general, females from both provinces and both linguistic groups tend to come from families with slightly higher incomes than males.

If the family incomes of the students were to be ranked, the ranking would be as follows from highest to lowest.

1. Quebec anglophones
2. Ontario anglophones
3. Ontario francophones
4. Quebec francophones

However, the difference between the <u>language groups</u> is far greater than the differences between the groups of the same language from the two provinces; i.e. the incomes of the families of anglophones coming to University of Ottawa are higher regardless of whether they are from Ontario or Quebec.

A-79

UNIVERSITÉ d'OTTAWA
REÇU
JUL 13 1976
PLANIFICATION ACAD.

SUBMISSION TO THE STUDY COMMITTEE ON OSAP AND CORSAP ESTABLISHED BY THE OFFICE OF THE ASSISTANT ACADEMIC VICE RECTOR UNIVERSITY OF OTTAWA

Office of the
President
Commissioner of Public Relations and Information

Office of the Commissioner of Representation

La Fédération des Etudiants, Université d'Ottawa

June 2, 1970

To Whom It May Concern:

The aim of this submission is twofold. Primarily, we have examined the OSAP programme and suggested either major or minor policy or practice changes where necessary.

Regarding CORSAP, it must be said that we suffered from a real lack of data concerning the further areas of research which the Cook-Staegar Report itself prescribed. Our brief examination of CORSAP no doubt suffers from this and other limitations.

We would note as well that many of our views have already been voiced through our University's representative on the Ontario Committee on Student Awards.

Hugh Segal
President

Michel Leduc
Commissaire à la Représentation

THE ONTARIO STUDENT AWARDS PROGRAMME

STATED AIMS OF THE PROGRAMME

THE PROGRAMME'S AIM "TO PROVIDE OPPORTUNITIES FOR STUDENTS OF THIS PROVINCE WHO LACK ADDQUATE RESOURCES TO PURSUE POST-SECONDARY EDUCATION" APPEARS TO DELINEATE A FAR RANGING ASSISTANCE PROGRAMME FOR THE STUDENTS OF ONTARIO. YET, THERE APPEARS TO BE SOME AMBIVALENCE HERE. REPRESENTATIVES OF THE DEPARTMENT OF UNIVERSITY AFFAIRS HAVE REPLATEDLY STATED THAT THE PROGRAMME IS AIMED AT REMOVING FINANCIAL BARRIERS TO HIGHER EDUCATION. YET, ONE CANNOT PRESUME TO DO THIS SUCCESSFULLY WITHOUT EXAMINING THE RELATIONSHIP BETWEEN ONE'S INTELLECTUAL DEVELOPMENT AND GROWTH (WHICH WOULD ENTITLE ONE TO ACADEMIC ELIGIBILITY) AND ONE'S FAMILY INCOME DURING THE FORMATIVE YEARS. HENCE, THE PROGRAMME NOW IS AIMED SIMPLY AT ASSISTING THOSE WHOSE FAMILY INCOME HAS BEEN SUFFICIENTLY HIGH DURING THE FORMATIVE YEARS TO PROVIDE THE STIMULI WHICH RESULT IN THE MOTIVATION

TO ATTEND POST-SECONDARY EDUCATION. THE PROGRAMME, AS WELL, IS AIMED AT ASSISTING THOSE WHO CAN AFFORD THE NON-PRODUCTIVE PERIOD (FINANCIALLY) THAT POST-SECONDARY EDUCATION INVOLVES. IT WOULD APPEAR TO US, THEREFORE, THAT THE PROGRAMME IS AIMED, NOT REALLY AT "STUDENTS OF THIS PROVINCE WHO LACK ADEQUATE FINANCIAL RESOURCES TO PURSUE POST-SECONDARY EDUCATION" BUT RATHER AT THOSE STUDENTS OF THIS PROVINCE, WHO, HAVING COME FROM FAMILIES WITH INCOMES HIGH ENOUGH TO FACILITATE SOUND PRIMARY AND SECONDARY EDUCATION, AND WHO, AFTER HAVING BEEN EXPOSED TO A CULTURAL ENVIRONMENT OF SUFFICIENT DEPTH TO MOTIVATE THEM TOWARDS POST-SECONDARY EDUCATION, NEED FINANCIAL ASSISTANCE FOR THE SOCIAL AND ACADEMIC COSTS OF POST SECONDARY EDUCATION.

WHILE THE PROVINCE IS NO DOUBT AWARE THAT THOSE WHO ARE MOTIVATED TOWARDS POST-SECONDARY EDUCATION PROBABLY CONSTITUTE A SEGMENT OF THE RELATIVELY PRIVILEGED GROUP OF OUR CITIZENS, IT IS OBVIOUSLY IMPRACTICAL

AT THIS TIME FOR THE PROVINCE TO CONSIDER THE TYPE OF STUDENT ASSISTANCE PROGRAMME WHICH ATTEMPTS TO GET AT THE CHILD WHO IS FACED WITH DISADVANTAGED DEVELOPMENT OPPORTUNITIES AT THE PRIMARY OR SECONDARY LEVEL. NEVERTHELESS, THIS TYPE OF PROGRAMME SHOULD NOT BE OUTSIDE THE RANGE OF POSSIBILITY FOR A PROVINCE THAT IS TRULY COMMITTED TO EQUALITY OF OPPORTUNITY FOR EVERY SECTOR OF OUR POPULATION.

ASSESSMENT OF RESOURCES

ONE OF THE BASIC REQUISITES FOR SUCCESS IN THE OSAP PROGRAMME IS A FAIR AND MEANINGFUL PROCESS OF ASSESSMENT OF THE FINANCIAL RESOURCES OF THE APPLICANT. IN THIS REGARD WE WOULD RECOMMEND THE FOLLOWING CONSIDERATIONS WITH A VIEW TO "TIGHTENING UP" THE ASSESSMENT PROCEDURE:

A) THE PROVINCE SHOULD ASSESS STUDENT RESOURCES, IN WHICH THE FAMILY RESOURCES THAT ARE PERTINENT TO THE INDIVIDUAL'S EDUCATION AND SOCIAL COSTS SHOULD BE ASSESSED. THE PROVINCE'S AIM HERE SHOULD BE A RECATEGORIZATION OF

THE FORM SO THAT THE APPLICANT IS FORCED TO REALIZE THE RELATIONSHIP BETWEEN FAMILY INCOME AND HIS OWN EDUCATIONAL EXPERIENCE.

B) THE PROVINCE SHOULD SERIOUSLY RE-CONSIDER QUALIFICATION "C" FOR THE GROUP "B" OR INDEPENDENT STUDENT. WE TAKE STRONG ISSUE WITH THIS QUALIFICATION, AS IT ALLOWS STUDENTS, SIMPLY BY VIRTUE OF HAVING SUCCESSFULLY COMPLETED A CERTAIN AMOUNT OF YEARS, TO DIVORCE THEMSELVES FROM THOSE RESOURCES RECEIVED FROM THE FAMILY, AND THEREBY BE ASSESSED AS NEEDING MORE ASSISTANCE. IT IS OUR VIEW THAT, EVEN AFTER SO CALLED "INDEPENDENCE", THE INDIVIDUAL SHOULD BE ASSESSED WITHIN THE <u>TOTAL</u> CONTEXT OF HIS FINANCIAL SITUATION (INCLUDING PARENTAL CAPACITY TO CONTRIBUTE).

WE WOULD, HOWEVER, SUGGEST THAT A HORIZONTAL ASSESSMENT OF THE FAMILY'S CONTRIBUTION (OVER FOUR YEARS) SHOULD BE DONE. A REASONABLE MAXIMUM SHOULD BE

ESTABLISHED, RELATED CLOSELY TO THE FAMILY'S INCOME AT THE TIME OF THE INDIVIDUAL'S INDEPENDENCE. THIS MAXIMUM SHOULD CONSTITUTE THE POINT AFTER WHICH NO FURTHER FAMILIAL CONTRIBUTION IS EXPECTED.

C) THE PROVINCE SHOULD CLEARLY BE EXPECTED TO EXAMINE THE $8.00 MISCELLANEOUS COST ALLOWED IN ITS COST ASSESSMENT. ONE NEED ONLY SPEAK TO ANY STUDENT TO ASCERTAIN THE UNREALISTIC NATURE OF THE $8.00 FIGURE.

D) ONE'S OWNERSHIP OR PRINCIPAL USE OF A YACHT, MOTORCYCLE, AIRCRAFT OR OTHER MOTORIZED VEHICLE SHOULD SURELY BE OF AS MUCH IMPORTANCE AS AN AUTOMOBILE IN TERMS OF ASSESSING RESOURCES.

E) WE WOULD REITERATE THAT A GROUP "B" STUDENTS RESOURCES SHOULD NOT BE ASSESSED WITHOUT THE CONTEXT OF THE TOTAL RESOURCE PICTURE OF THE FAMILY. IF THE PROGRAMME IS AIMED AT DEALING WITH "FINANCIAL NEED" THE "INDEPENDENT STUDENT" MUST <u>ALSO</u> HAVE TO PROVE NEED WITHIN THE TOTAL SUPPORT AND RESOURCE CONTEXT.

F) SCHOLARSHIPS AND ACADEMIC AWARDS SHOULD CLEARLY BE DEDUCTED FROM THE TOTAL AWARD, IF WE ARE TO BE CONSISTENT WITH THE AIMS OF OSAP. HOWEVER, IT IS OF MAJOR CONCERN TO US AS TO WHETHER IT SHOULD CONTINUE TO BE DEDUCTED FROM THE GRANT PORTION. WHILE WE DO NOT FEEL THAT AN ACADEMIC AWARD'S FINANCIAL IMPLICATIONS SHOULD BE IGNORED, TO DEDUCT IT FROM THE GRANT PORTION IS TO ALMOST PENALIZE THE AWARD RECIPIENT. SURELY, WE SHOULD EXAMINE THE FEASIBILITY OF DEDUCTING IT FROM THE LOAN PORTION OF THE TOTAL AWARD TO THE STUDENT.

G) THE PROVINCE COULD, MOST PROBABLY, SAVE ITSELF QUITE LARGE SUMS OF MONEY WERE IT TO PUBLICIZE THOSE MEASURES TAKEN TO VERIFY THOSE CLAIMS MADE BY APPLICANTS. IF THE STUDENT INVOLVED COMPLAIN ABOUT ONE ELEMENT OF OSAP CONSISTENTLY, IT IS THAT THEY FEEL THOSE WHO DO NOT NEED FUNDS FALSIFY IN ORDER TO RECEIVE FUNDS. WHILE A CERTAIN AMOUNT OF THIS TYPE OF COMPLAINT CAN BE EXPECTED WITH OR WITHOUT GROUNDS, WE CAN NOT HELP BUT WONDER

WHAT SEVERAL WELL PUBLICIZED CASES OF A THWARTED ATTEMPT AT FRAUD MIGHT DO FOR THE PLAN AND THE PROVINCIAL TREASURY.

OSAP AS A PROGRAMME AIMED AT ENCOURAGING HIGHER EDUCATION

THERE IS VERY LITTLE QUESTION IN OUR MIND AS TO OSAP'S SUCCESS AS A SERVICE OF ENCOURAGEMENT FOR THE STUDENTS OF THIS PROVINCE. YET, IT WOULD SEEM LESS THAN WISE FOR A PROVINCE SO TOTALLY COMMITTED TO THE SUPPORT OF OPERATING AND CAPITAL COSTS FOR POST-SECONDARY INSTITUTIONS TO REMAIN SATISFIED WITH OSAP AS IT STANDS TODAY. WE DO NOT BELIEVE THAT AN INCREASE IN THE AMOUNTS OF MONEY IS NECESSARILY A CRITICAL FACTOR IN INCREASING THE PROGRAMME'S EFFECTIVENESS.

WE ARE CONCERNED WITH AN EDUCATION PROGRAMME WHICH SHOULD AND MUST BEGIN IN THE PRE-SECONDARY PHASE OF EDUCATION. WE ARE SPEAKING OF AN EDUCATION PROGRAMME WHICH MUST GO BEYOND THE CHILD AND HIS ACADEMIC MILIEU. WE MUST BE BOLD ENOUGH TO GO TO THE PARENTS AND TRY TO INSURE THEIR AWARENESS VIS A VIS OSAP.

WHILE WE MIGHT ASSUME THAT ANY TAXPAYER IN ONTARIO IS QUITE AWARE OF THE PROVINCE'S COMMITMENT TO EDUCATION, WE SHOULD TRY AND ESTABLISH CLEARLY THAT THE COMMITMENT INCLUDES THOSE FROM THE DISADVANTAGED HOME AS WELL.

IN THIS REGARD, WE WOULD RECOMMEND THAT

THE PARENTS OR GUARDIANS OF ALL ONTARIO RESIDENTS REGISTERED IN RECOGNIZED SECONDARY SCHOOLS OF THE PROVINCE BE REQUIRED TO COMPLETE A GOVERNMENT QUESTIONNAIRE STATING WHETHER OR NOT THEY INTEND TO ENCOURAGE THEIR CHILD TO ATTEND A POST-SECONDARY EDUCATIONAL INSTITUTION. THE QUESTIONNAIRE SHOULD BE FILLED IN BEFORE THE CHILD ENTERS LEVEL TEN. THOSE WHO INDICATE NO INTENTION TO ENCOURAGE THEIR CHILD SHOULD BE ENCOURAGED TO STATE EXACTLY WHY. GUIDANCE OFFICERS SHOULD THEN, WITH THE ASSISTANCE OF THE PROVINCE, INSURE THAT THOSE WHO ARE MOTIVATED BY FINANCIAL CONSIDERATIONS ARE MADE QUITE AWARE OF THE FINANCIAL ASSISTANCE AVAILABLE.

IT IS OUR VIEW THAT OSAP HAS SUCCEEDED QUITE WELL IN ITS ESTABLISHED AIMS. NEVERTHELESS, THE PROGRAMME'S IMPROVEMENT MUST BE LINKED DIRECTLY TO THE PROVINCE'S PREPARADNESS TO RE-APPRAISE THE PROGRAMME ON A REGULAR BASIS WITH FRESH AND BOLD PERSPECTIVES.

CORSAP
THE COOK STAEGAR REPORT

THE ESSENTIAL CONCERN OF THE REPORT, I.E., THAT SOCIETY MUST BEGIN TO VIEW ITS EDUCATIONAL EXPENDITURES WITH A VIEW TO OTHER PRIORITIES OF EQUALLY PRESSINGN NATURE, IS SOMETHING WITH WHICH IT WOULD BE EXTREMELY HARD TO DISAGREE. MOREOVER, THE NEED FOR A RE-EVALUATION OF EDUCATIONAL SPENDING AT A TIME WHEN ESCALATING COSTS APPEAR TO BE DOMINANT IN THE MINDS OF DEPARTMENT OF UNIVERSITY AFFAIRS OFFICIALS, DOES NOT SEEM EITHER UNFAIR OR PREMATURE.

THE QUESTION REMAINS, HOWEVER, AS TO WHETHER OR NOT THE EXISTING OSAP

PROGRAMME MUST BE SCRAPED FOR A TOTALLY LOAN ORIENTED PROGRAMME. IF THERE IS ANY DANGER HERE, IT IS IN APPROACHING THE PROBLEM EXCLUSIVELY FROM THE POINT OF VIEW OF THE TREASURY BOARD'S FLARS, OR, ON THE OTHER HAND, EXCLUSIVELY FROM THE PART OF NEW NEEDS OR OBJECTIVES OF A STUDENT FINANCIAL AID PROGRAMME.

IT IS CLEAR THAT THE PEOPLE OF THE PROVINCE HAVE TO MAKE A FURTHER DECISION AS TO THE PRIORITY WITH WHICH THEY ARE PREPARED TO VIEW FURTHER EDUCATIONAL EXPENSES. IT IS CLEAR, MOREOVER, THAT UNLESS THOSE WHO SIT IN THE LEGISLATURE ARE PREPARED TO BRING THIS ISSUE CLEARLY TO THE PEOPLE, CIVIL SERVANTS AND DEPUTY MINISTERS WILL BE FORCED TO MAKE DECISIONS ON THE BASIS OF PRIORITIES ESTABLISHED THROUGH CONSULTATION WITH PRESSURE GROUPS OR REPRESENTATIVE COMMITTEES. IN TERMS OF A PROVINCE THAT SHOULD BE ESTABLISHING PRIORITIES WITH THE ACTIVE PARTICIPATION OF THE CITIZENRY AT LARGE, THIS IS OBVIOUSLY LESS THAN DESIRABLE.

HOWEVER, WITHIN THE TERMS OF REFERENCE OF THOSE ELECTED AT PRESENT, AND THEIR COMMITMENT TO UNIVERSAL ACCESSIBILITY AS WELL AS THE OBVIOUS RETICENCE OF THE TREASURY BOARD TO EMBRACE AN OPEN ENDED GRANT PROGRAMME FOR ANY GREAT LENGTH OF TIME, THE PRINCIPLE OF CORSAP SEEMS APPROPRIATE. THERE ARE, HOWEVER, SEVERAL QUALIFICATIONS WHICH WE WOULD TACK ON TO THIS EVALUATION.

1) THE "FORGIVENESS" FACTOR MISPLACES INCENTIVE

ALTHOUGH SOME FRAGMENT OF A GRANT PROGRAMME IS ALLEGEDLY RETAINED THROUGH THE "FORGIVENESS" PORTION OF THE PROGRAMME, THERE APPEARS TO BE A MAJOR QUESTIONING OF EXISTING REASONING BEHIND MANY A FINANCIAL ASSISTANCE PROGRAMME. WE WOULD FRANKLY DIFFER WITH THOSE WHO ASSERT THAT THE POTENTIAL FORGIVENESS WHICH ONE MAY ENJOY IF ONE FAILS TO SUCCEED FINANCIALLY AFTER GRADUATION CAN COUNTER THE LACK OF "FREE MONEY" DURING THE FINANCIALLY NON-PRODUCTIVE

YEARS DURING THE PATH TO A DEGREE.

-) THE REQUISITES OF CORSAP

THE LENGTH OF THE TYPE OF EDUCATION PROGRAMME THAT COULD MAKE CORSAP JUSTIFIABLE IN TERMS OF WIDESPREAD ACCEPTANCE AND COMPREHENSION WOULD APPEAR TO PLACE THE ADOPTION OF CORSAP IN THE DISTANT FUTURE. CONVERSELY, A RADID ADOPTION OF CORSAP WITHOUT A PROPER EDUCATION PROGRAMME WOULD SIMPLY NOT BE JUSTIFIABLE.

QUEEN'S UNIVERSITY

MEMBERSHIP OF STUDY GROUP:

Preparation of Report in progress.

DATE RECEIVED: Letter of September 8, 1970.

QUEEN'S UNIVERSITY
KINGSTON, ONTARIO

DEPARTMENT OF ECONOMICS

September 8, 1970.

UNIVERSITÉ d'OTTAWA
REÇU
SEP 9 1970
PLANIFICATION ACAD.

Dr. Peter Morand,
Chairman, C.P.U.O. Sub-Committee on Student Aid,
Office of the Vice Rector - Academic Affairs,
University of Ottawa,
550 Cumberland Street,
OTTAWA 2, Ontario.

Dear Dr. Morand:

The copy of your letter of Miss Hooey has reached me. Unfortunately our committee to study student aid was only appointed after the end of term and as a result we have been able to meet twice to date.

We have found in our meetings to date that the topic is sufficiently complex that we would hesitate to express any views without much greater study.

In light of the pressures on your committee to formulate a report, it would probably be best for you to continue without hearing from us. We anticipate an opportunity to examine your draft report and, along with the other university committees, would welcome the chance to express our views. Meanwhile our committee will continue its deliberations so our comments will be prompt.

Yours truly,

John F. Chant,
Associate Professor.

JFC:dm

cc: Miss M. Hooey,
Secretary of the Senate.

UNIVERSITY OF TORONTO

MEMBERSHIP OF STUDY GROUP:

Mr. Robin Ross (Chairman)	-	Vice-President and Registrar.
Professor I.M. Drummond	-	Associate Professor, Department of Political Economy.
Mr. D. Green	-	Principal, Malvern Collegiate Institute, Toronto.
Mr. W.A. Hill	-	Secondary School Liaison Officer.
Dean F.N. Hughes	-	Dean of the Faculty of Pharmacy and former Chairman of the Senate Committee on Scholarships and other Awards.
Miss L. Reimer	-	Director, Office of Student Awards.
Professor R.M.H. Shepherd	-	Registrar, University College and Chairman of the Senate Committee on Scholarships and other Awards.
Mr. P.S. Phillips (Secretary)	-	Senior Awards Officer, Office of Student Awards.

DATE RECEIVED: 1st draft - June 5, 1970.
Final draft - June 23, 1970.

OFFICE OF STUDENT AWARDS

UNIVERSITY OF TORONTO

TORONTO 5, CANADA

UNIVERSITÉ D'OTTAWA
REÇU
JUN 5 1970
PLANIFICATION ACAD.

June 4, 1970.

Mr. Peter Morand,
Assistant Vice-Rector (Academic),
Chairman, CPUO Sub-Committee
on Student Aid,
University of Ottawa,
550 Cumberland Street,
Ottawa 2, Ontario.

Dear Mr. Morand:

On behalf of the University of Toronto, I am pleased to submit a dozen copies of the study paper prepared by the Committee on Financial Aid to Undergraduate Students for the consideration of the CPUO Sub-Committee on Student Aid. You should feel free to distribute copies of this study paper to your Sub-Committee members on June 11th; I would ask, however, that you make it clear that this paper has not, as yet, received the consideration of the President's Council of the University of Toronto.

I cannot agree with you more that student participation on this committee would have been desirable. However, as the report indicates, the Students' Administrative Council decided that it was unwilling to participate as the Ontario Union of Students was currently in the process of examining the whole question of student assistance schemes. I have informed the Students' Administrative Council of your appeal for some student opinion on, for instance, the content of the Cook-Stager Report. I would advise that I have received no indication to date that they would be prepared to comply with this suggestion.

The members of the Committee have asked me to assure you that they would be glad to clarify, defend or elaborate on any of the recommendations contained in the study paper, should your Committee consider it necessary or desirable to do so.

The members of the Committee look forward to sharing in the outcome of your deliberations.

Yours sincerely,

P. S. Phillips

Patrick S. Phillips,
Senior Awards Officer.

PSP/cs
Encls.

OFFICE OF STUDENT AWARDS

UNIVERSITY OF TORONTO

TORONTO 5, CANADA

June 17, 1970.

UNIVERSITÉ d'OTTAWA
REÇU
JUN 23 1970
PLANIFICATION ACAD.

Dr. Peter Morand,
Chairman,
CPUO Sub-Committee on
Student Aid,
University of Ottawa,
550 Cumberland Street,
Ottawa, Ontario.

Dear Dr. Morand:

Further to my letter of June 4th, I wish to report that the University's study paper on Student Aid was presented to the President's Council on June 11th for its consideration.

As a result of this meeting, the study paper has undergone a few minor revisions. You will detect that the general thrust of the alterations has been to give a somewhat different emphasis to the Committee's willingness to enter into serious discussions on contingent repayment assistance programs.

The Committee on Student Aid considers that this new version of the paper reflects more accurately the feelings of both the Committee and the President's Council, and I therefore have been authorized to inform you that this study paper now carries the general approval of the President's Council.

I would just add parenthetically that the President's Council, like the Committee on Student Aid, does not enjoy any undergraduate student representation.

Yours sincerely,

Patrick S. Phillips,
Senior Awards Officer.

PSP/cs

Encl.

STUDY PAPER

on

FINANCIAL AID TO UNDERGRADUATE STUDENTS

prepared for

THE COMMITTEE OF PRESIDENTS OF UNIVERSITIES OF ONTARIO

by

THE UNIVERSITY OF TORONTO

June 11, 1970

TERMS OF REFERENCE

At the request of the Committee of Presidents of Universities of Ontario and with the agreement of the President's Council of this University, the University of Toronto formed a study group to examine the existing and alternative financial aid schemes for undergraduate students.

Specifically, the University was requested to:

1) examine the existing province of Ontario Student Awards Program (OSAP) and make suggestions for improving this Program;

ii) examine the Cook-Stager Report and similar Educational Opportunity Bank (EOB) schemes and make recommendations regarding the feasibility of such loan programs; and

iii) suggest areas where further studies should be made relevant to financial aid to students at the undergraduate level.

COMMITTEE MEMBERSHIP

In striking this Committee, the Chairman of the President's Council, Mr. J. H. Sword, in consultation with Mr. R. Ross and President C. T. Bissell, sought representation from the undergraduate students, the faculty, the student-aid administrators and the high schools.

Regrettably, a number of those invited to participate on the committee felt it necessary to decline membership. Mrs. W. H. Clark, a member of the Board of Governors on the Senate Committee on Scholarships and Other Awards, was unable to serve on the committee due to other previous commitments. The Students' Administrative Council was invited to send four delegates; however, the Council felt it unwise to participate as the Ontario Union of Students was currently studying the whole question of student aid. While there was a student observer present at the last few committee meetings, no student contribution was made to this study paper.

The membership decided upon was as follows:

Mr. Robin Ross (Chairman)	- Vice President and Registrar
Professor I. M. Drummond	- Associate Professor, Department of Political Economy
Mr. D. Green	- Principal, Malvern Collegiate Institute, Toronto

Mr. W. A. Hill	-	Secondary School Liaison Officer
Dean F. N. Hughes	-	Dean of the Faculty of Pharmacy and former Chairman of the Senate Committee on Scholarships and Other Awards
Miss L. Reimer	-	Director, Office of Student Awards
Professor R. M. H. Shepherd	-	Registrar, University College and Chairman of the Senate Committee on Scholarships and Other Awards
Mr. P. S. Phillips (Secretary)	-	Senior Awards Officer, Office of Student Awards

While the conclusions reached in the report by the members of the Committee cannot, therefore, claim to have received the endorsement of all groups within the University, they do represent the collective wisdom of at least some of its members who are most active and knowledgeable in the student aid field.

BIBLIOGRAPHY

Student Aid and Access to Higher Education in Ontario (hereafter referred to as the Clark-Kent Report)	-	E. Clark, D. Cook, G. Fallis, M. Kent
Student Financial Assistance Programs - A Report to the Ontario Committee on Student Awards (hereafter referred to as the Cook-Stager Report)	-	G. C. A. Cook, D. A. A. Stager
Summary of a Proposal for a New Program of Financial Assistance to Students (hereafter referred to as the Ministerial Memorandum)	-	Council of Ministers of Education, Canada, Post-Secondary Education Committee, Sub-Committee on New Approaches to Student Assistance

Student Aid Programs -
Number 7 in the Policy Paper
Series of the Institute for
the Quantitative Analysis of
Social and Economic Policy

- G. C. A. Cook, A. R. Dobell,
D. A. A. Stager

INTRODUCTION

The Committee has prepared this report in three sections.

Part I sets out the qualities which the Committee believes should be inherent in any student-aid scheme.

Part II states the Committee's attitude towards an assistance scheme with income-related repayments. First of all, the Committee would insist that a contingent repayment assistance scheme include non-repayable financial assistance for the financially disadvantaged in at least their first university year.

Secondly, the Committee is not prepared to consider giving its endorsement to such a scheme until it has received satisfactory assurance that a number of aspects of the program which it considers crucial have been modified, abandoned, introduced or investigated further, as the case may be.

Part III suggests improvements that should be made in the existing Ontario Student Awards Program, until such time as agreement is reached on alternative student financing schemes.

Where the Committee felt that some of its comments, opinions and recommendations were in need of amplification, documentation or explanation, notes have been appended to the report.

PART I

The Committee endorses the following general principles:

1) that although a student-aid scheme cannot of and by itself guarantee "universal accessibility", it does promote this ideal by removing one of the major identifiable barriers;

2) that any student-aid scheme should include the elements of equity, flexibility, and relative simplicity;

3) that scholarships should be viewed as an instrument for encouraging academic achievement (and often simultaneously recognizing financial need) and should operate independently of a government student aid program;

4) that the Ontario Student Awards Program contains many attractive features which should be retained and incorporated into any new student-aid scheme;

5) that a combination of loans and grants constitutes one of the best single features of the Program; that the elimination of large grants in the early years might very likely have an adverse effect, particularly on students from low-income families; and that, therefore, some non-repayable component of awards should be retained at least until adequate research has been performed to determine the extent of the benefits accruing therefrom;

6) that the purpose of a student-aid scheme should be to enable the most academically-qualified to attend university; that for financially-disadvantaged but academically-qualified students, a special incentive may be necessary; and that this incentive should be in the form of a grant;

7) that a long-range scheme such as CORSAP should not be entered into lightly and that a transitional program and a great deal more research is necessary before moving to a contintent repayment scheme.

PART II

Given the brief time available to the Committee for the consideration of the multifarious student aid schemes, and mindful of the complexity and far reaching ramifications of these assistance programs, the Committee is reluctant to enthusiastically and irrevocably champion one particular assistance scheme.

In considering the multiplicity of variants on CORSAP, the Committee wishes to state that it is unequivocally opposed to the CORSAP variant proposed in the Ministerial Memorandum. (The reasons the Committee would want to withhold its assent to this proposal are outlined in Appendix A.)

The Committee is, however, prepared under certain circumstances to consider a contingent repayment assistance program.

To begin with, the Committee remains deeply concerned that such an assistance scheme, however attractive to the student and defensible to the tax-paying public, is likely to be received at least initially with a good deal of healthy caution if not outright scepticism by prospective university students. It is the opinion of this Committee that despite the intrinsic merits of such a student assistance program, the scheme itself is insufficient to ensure that the university's enrolment will contain a socio-economic mix of students that is proportionally representative of society as a whole. The Committee is of the opinion that students from disadvantaged backgrounds are in need of a more attractive inducement which will go further towards ensuring that such students get enrolled.

Accordingly, the Committee would strongly recommend that a very large grant component similar to (or preferably greater than) that presently provided by large OSAP awards should be available to needy students in first year.

The Committee would generally agree with the opinion expressed in the Clark-Kent Report that the decision to proceed to post-secondary education is often made long before Grade Thirteen. Nonetheless, the Committee is of the opinion that the transference from Grade Thirteen to first year university, though perhaps not the most critical, continues to be one of the crucial points at which financial aid, in its most attractive form, should be applied to the lower-income student. It can be demonstrated statistically that the number of full-time students who today enter university and then withdraw for financial reasons is negligible. While it would, therefore, seem sensible to concentrate non-repayable financial assistance at the admission level, the Committee would consider a combination of large grant and small loan in first year to be acceptable, where the purpose of the loan would be not so much to economize as to acclimatize the student to the form of financial assistance that awaited him or her in higher years.

The Committee is unsure about the exact form of financial assistance which should be offered to second year students -- whether entirely loan, or a large loan and small grant. Although the Committee considers that some adjustment might have to be made for students whose courses extend beyond four years, the Committee would recommend that students beyond second year, receive contingent repayment assistance only.

The Committee wishes to insist that provision be made for some form of non-repayable financial assistance, such as that cited above, in any CORSAP financing scheme.

Further, the Committee would not be willing to consider an assistance scheme with income-related repayments unless:

1) the variable repayment scheme were not to be combined with "full cost" tuition fees or with an attempt to assess private and social costs and benefits on a course-by-course basis (Appendix B);

2) the precise nature of the scheme -- in particular, its avoidance of "dead-weight" debt and its offer of largely non-repayable assistance in first year to lower-income students -- were to be adequately explained to high school students early in their school years (Appendix C);

3) the government were to be prepared to supply sufficient operating and capital funds to deal with the increase in post-secondary enrolment which such a scheme is very likely to cause (Appendix D);

4) government authorities were to undertake to explore in advance, by computer-simulation and close analysis, the detailed formulae and statistical effects of the scheme -- in particular, the choice of the opt-out interest rate, the proportion of the student population which borrow under the scheme, and the effect on university enrolment (Appendix E); and

5) the negative-dowry problem was satisfactorily resolved. The Committee had originally hoped that the negative-dowry problem could be circumvented by requiring women to file independent income tax returns after marriage and to pay a CORSAP-type surcharge on their own income. In this way married women who spend sporadic or abbreviated periods of time in the labour force would be treated in the identical fashion as unemployed or low-income male graduates. On reconsideration, the Committee does not consider this recommendation to be viable. While female participation in the labour force is increasing, there can be no assurance that this trend is irreversible. More important, given the prevailing situation, the slow rate of this increased participation cannot but result in serious inequities. In fact, it could be argued that the effect of our recommendation would be to discourage married women from entering the labour force.

In withdrawing its recommendation, the Committee would admit to having no readily available solution to the problem. In the Committee's opinion the negative-dowry problem probably must be viewed as the achilles heel of CORSAP-type financing arrangements, unless imaginative and careful consideration is devoted to overcoming this problem. The Committee, therefore, wishes to recommend that an exhaustive investigation of this area be undertaken as soon as possible.

The Committee would be extremely reluctant to consider a variable repayment program that did not make provision for the following recommendations:

1) A means test should continue to be applied to students seeking grant assistance.

2) Provision should be made for students who are unable or unwilling to meet the means test to be eligible for loan-only assistance immediately upon entry to university.

3) No means test should be applied to students receiving non-subsidized loan assistance.

4) Provision should be made for part-time students proceeding to a degree, diploma or certificate to receive financial assistance on a basis comparable to full-time students. Such assistance should take into account academic costs such as tuition fees and books, and possibly such incidentals as transportation, baby-sitting, etc. if warranted. For students from low-income families and/or disadvantaged backgrounds, aid should be in the form of a non-repayable grant for five courses (i.e., the equivalent of one year of full-time study) undertaken by the student, and thereafter in the form of variable repayment assistance. Because of the peculiar situation of the part-time student, consideration should be given to placing a CORSAP-type surcharge on the part-time student's income as soon as an advance is made.

5) The present restrictions on the size of "other awards" held by students should be removed so that the university can recognize academic achievement by the granting of scholarships without affecting a student's entitlement to financing under the new scheme.

6) The student aid program should continue to be largely decentralized for administrative purposes. Specifically, the Committee would urge that the scheme be administered by student aid officers in universities so far as application and disbursement are concerned, and by the income tax authorities so far as collection is concerned.

7) The financial-aid scheme should operate nationally to promote mobility and ensure equity of opportunity across the country.

PART III

Until such time as agreement has been reached on a solution, and on the grounds that to the Committee's knowledge no analysis has been undertaken of the effects of OSAP or of the workings of the alternatives, the Committee strongly favours the retention of OSAP.

A more complete statement of the Comittee's criticisms of the present scheme is included in Appendix F; in brief, the Committee would recommend the following modifications to the existing Program:

1) that the Province introduce an additional supplementary, non-subsidized loan scheme with conventional repayment terms, without means testing but presumably with provincial guarantee to:

a) supplement the necessarily stringent means-tested aid under OSAP; these loans would be made only on the recommendation of student aid officers in universities

and would be primarily intended for students who, though qualifying for minimal or no assistance from OSAP, do in fact have considerable financial need; and

b) provide for those students referred to in 2) below;

2) that the loan financing referred to in 1) above be made available for the direct academic costs of part-time students;

3) that the Department of University Affairs institute more rigorous audit procedures and give publicity to its efforts in this area;

4) that if reductions on account of "other awards" must continue, these deductions should come from the loan portion of the award;

5) that teaching fellowships and assistantships be treated in the same manner as other kinds of part-time employment during the academic year and not deemed, as at present, to be additional resources or income;

6) that certain assessment procedures (e.g., regarding the use of cars) be re-examined;

7) that the method of paying large grants be revised so that the student may receive a larger portion of the total grant in the fall term;

8) that some recognition be given to the fact that out-of-town students are in a sense penalized because the whole parental contribution must be given in cash;

9) that the criteria for granting "independence" under the Program be reconsidered; the Committee has examined the "independence" regulations and has lively doubts about the equity of the existing ruling; because of the growing concern that certain students (e.g., married students, students in the higher years of Medicine, Dentistry, Law) are attracted into the Program more by suddenly having met one of the "independence" criteria, rather than by previously demonstrated need, the Committee would recommend that the present regulations governing dependent-independent criteria be thoroughly re-examined; and

10) that the $150 Ontario Grade Thirteen Scholarships be abolished and that consideration be given to the necessity for maintaining other awards such as the $500 OCE Fellowships.

APPENDIX A

While conceding that the Ministerial Memorandum was only prepared as a discussion paper, the Committee is alarmed at some of the suggestions it contains.

First of all, the Committee notes the proposal to continue means-testing. In our opinion, there is no justification for this proposal in a scheme which involves no subsidy to the student.

Secondly, the Memorandum proposes a fifteen year maximum repayment period -- much shorter than the Cook-Stager proposal. While the repayment period will be jointly determined by a number of factors, such as the sum borrowed, the interest charged, and the assumed stream of income from which repayment is to be made, the Committee would suggest that this repayment period be reconsidered, (and we hope lengthened) so as to minimize the annual repayment amount, provided that the lengthening of the repayment period does not discriminate against the low-income graduate by imposing much higher interest charges.

Thirdly, the Committee is perplexed by the omission of any reference to the negative-dowry problem. As the Committee states elsewhere in its report, this is one of the most vulnerable areas of CORSAP-type financing schemes and as such demands extensive research and careful analysis.

Fourthly, the Committee is strongly opposed to the Ministerial Memorandum proposal to forgive the loans of low-income people. The Committee much prefers the CORSAP arrangement, which makes the cohort, not the individual, responsible for the repayment of the cohort's borrowings.

Perhaps the proposal which the Committee views with the most alarm is the proposed inauguration date of 1972. In the opinion of this Committee, it is highly unlikely that such a completion date can be realized, particularly if the research necessary to the success of such a far reaching proposal is allowed to proceed, and if the public education and involvement in the preparation and comprehension of the program is not to be curtailed.

APPENDIX B

It has been suggested in some circles that governments ought to get out of the business of financing universities; and that they could do this by allowing the universities to charge fees so high that all operating costs, and perhaps even all capital costs, would be covered by the revenue derived from these "full-cost" fees.

Assistance schemes with income-related repayments would then be required to allow students to finance the very much higher tuition fees which would then exist. In Ontario, fees could go as high as $3,000 per annum -- a six fold increase. While the Committee believes that some increase in fees relative to government grants is desirable, it believes that any increase would have to be gradual -- perhaps $100 per year over a five year period.

The Committee is of the opinion that too large a portion of university operating costs is now borne by the tax payer and too small a portion by the student; it is the Committee's belief that the student derives more, and the community less, of the total benefits which higher education creates than existing financing arrangements would suggest. At the same time the Committee would claim that there are community benefits which do not accrue to the individual and that allowance must be made for these "spillovers", "external economies", or "external benefits". Existing financial arrangements assume that the spillovers are a significant part of the total. Full-cost tuition fees assume that spillovers are zero -- that higher education creates only private benefits, accruing solely to the individual. The Committee does not believe that this is the case. If tuition fees were based upon this assumption, too little university education would be demanded and the whole community would be impoverished. Hence our objection to full-cost tuition fees.

The Committee is also opposed to the assessment of private and social costs and benefits on a course-by-course basis. The Committee believes that it will be permanently impossible to measure accurately the various costs and benefits and that any assessment is bound to be impressionistic. There is the further likelihood that if figures are actually produced, they will acquire a life of their own and almost certainly be used to justify a much more pronounced differentiation of tuition fees. Economic analysis might provide justification for such differentiation, but only if the measurement is accurate and only if various necessary conditions exist in the larger economy. Since the necessary conditions do not exist, and since the measurement cannot be accurate, there is no case for the differentiation of tuition fees. Hence, we oppose measurement attempts which would rest on a misconception and which would create a pseudo-reason.

APPENDIX C

The Committee is concerned with the following:

1) evidence that students do not understand the existing OSAP scheme -- in particular its grant component,

2) evidence that decisions to attend university are made early in high school, and

3) the uncertainties of high school guidance programs.

A variable repayment program is sufficiently unusual to pose special problems in understanding. If high school guidance officers and students think of them as conventional "dead-weight" loans, the schemes will have the unfortunate result of dissuading students, particularly those from poorer families or disadvantaged backgrounds who are unwilling to incur large debts. It was to aid this group psychologically that the Committee has recommended mainly non-repayable assistance in first year, and it is for this reason that the Committee wonders whether the CORSAP-type scheme ought not to be explained as an attendance tax (to be applied to gross income over the repayment period) rather than as an EOB-type loan.

APPENDIX D

If the assistance program can be satisfactorily explained to high school students, it is the Committee's opinion that it is bound to cause some increase in enrolment (other things being equal), because some students who would otherwise have been deterred for financial or psychological reasons would be likely to enrol. If there is not to be a dilution of the educational process, some universities would have to expand to deal with this growth. If resources for this expansion are not available, universities would have to protect the quality of education by controlling enrolment. This could best be done by selective admission, chiefly on the basis of academic merit. While the Committee favours a fee increase for reasons of equity (see Appendix B), it strongly opposes raising tuition fees for the purpose of controlling size.

APPENDIX E

From the universities' viewpoint, the most important aspect of the research would be the projection of enrolment growth under various assumptions about the tuition fees, the system of student financing, university admission requirements, and lengths of university courses.

This information would also be essential if the government were to attempt to estimate the implications of these various alternatives to the present system of financing universities' operating and capital costs. For instance, would the operating and capital grants which would be required for each combination of parameters be, in the government's opinion, politically wise? financially feasible? socially acceptable? equitable?

The Cook-Stager Report avoids this problem entirely by assuming that everybody would borrow and that there would be no change in the current enrolment projections.

From the government's viewpoint, it is also important to know the detailed working of the fund itself. For this reason, the opt-out interest rates, total borrowings, etc. must also be explored.

APPENDIX F

The Ontario Student Awards Program

The Committee feels that the Program is in the main a generous, if not always a good one. It is firm, as any scheme of its size and scope must be, but it can on occasion be flexible, in an endeavour to meet at least some of the many exceptional cases which inevitably arise. It is imaginative in its approach to different types of student applicants -- here it owes much to the thinking behind the federal Canada Student Loans Plan -- and is in many ways an admirable attempt to extend opportunities for post-secondary education to all economic levels of the student population.

The Committee believes that the combination of loan and grant constitutes one of the best single factors in OSAP. A ceiling on the maximum loan normally authorized ($600) means that students with the greatest assessed need are not compelled to assume a much larger debt along with their large overall award. Additionally, a student-aid program, to be worthy of the name, should ideally have a grant component, and academically-qualified students should not be expected to have to borrow the entire amount required, particularly not at the very commencement of their programs.

On the procedural side OSAP calls for a large measure of decentralized administration. At present the universities and colleges themselves receive the applications, contact the student if further information is required, counsel him as to the best "approach" that he might take, depending on the circumstances which apply in a specific case, inform him of the results of his application and advise him concerning appeal procedures, the effect on his award should he withdraw, the subsequent treatment of other awards or assistance, etc. While it is true that the regulations and criteria are those of the Department of University Affairs and little deviation from them is allowed, at least in the first instance, we at the University of Toronto feel that it is invaluable at least to have the administration of the Program in our hands. Even when the bulk of the decision-making rests elsewhere, and this can be frustrating and time-consuming, the students feel that at the institutional level anyway they are receiving personal attention from individuals who are familiar with their case and prepared to present it and deal with it in the most favourable and sympathetic manner.

But OSAP does have a debit side. The Program assumes, certainly in the case of Group A or dependent students, that the applicant's family will be prepared to help him to the extent called for by the regulations. While this can be a reasonable and just assumption to make (particularly in view of the public dollars at stake), it quite frankly often results in the "sins of the fathers being visited on the children". It is heartbreaking to have to deny a student assistance of any type, even a loan, because his relations with his family have deteriorated, because the head of the household regards his income and other financial affairs as a private concern and refuses to divulge anything for assessment purposes, or refuses to help

"on principle". More flexibility and recognition of individual differences are required.

OSAP has always ignored academic achievement -- the first-class student being treated in exactly the same way as a failed or marginal student. Indeed it can have almost a "dis-incentive" effect on both students and prospective awarding agencies because of the very low ($150) limit on the amount of other awards which may be held without deduction from the grant. It is no secret that donors and selection committees pay a good deal of attention to a potential winner's status under OSAP; while this might be reasonable where bursaries are concerned, it is not always the same with merit scholarships, and the result is often that of having one's "awarding hands" tied.

The plight of part-time students, who cannot qualify for either loan or grant aid under OSAP, is a serious one. While students engaged in part-time study should not necessarily be assessed or treated identically as full-time candidates, it would be very desirable if at least some consideration could be given to the very real extra costs they are incurring in pursuit of their education.

The treatment of married students still leaves much to be desired, with many, it is felt, gaining awards in excess of their actual "need". And is the government's generosity in subsidising student marriage, regardless of age and academic status (and, it might be said, often regardless of real "family" situation) justifiable in social and human terms? In effect, students are being offered strong inducement to marry as early as possible in order to reap the benefits of independence under the Program.

More study could profitably be made of the status of foreign (both overseas and merely out-of-province) students and the extent of the use they make of the Program.

Administratively, the Program falls down badly in the area of investigation or audit. There has to date simply been no sufficient means by which questionable applications can be looked into, and too often some thoroughly dubious candidate has been given the benefit of the doubt. Providing a more complete or thorough investigation for <u>all</u> applications would lead to tremendous additional expense and could in the end probably cost at least as much as any dollars saved through more precise checking. However, surely some sort of spot-check, a very rigid one, could be instituted and any signs of misrepresentation or outright falsehood detected in this way given the widest possible publicity.

When it comes to assessing the Committee remains very unhappy about the reductions made in grantsdue to the receipt of other awards, and suggests that some thought be given to transferring these reductions, if they must continue, to the loan portion of the award. This would also enable OSAP to claim some recognition, on its part, of academic performance,

with the top scholars being able to retain a larger non-repayable form of assistance. When the assessment procedures are tightened up, perhaps the use of a car could lose some of its current major importance. While it is true that a car, particularly a recent model, is evidently a measure of financial stability, even affluence, so are such things as a boat, a house, a stereo, a Caribbean vacation -- yet no questions are asked about these. Another thorn in our side is the treatment accorded teaching fellowships and assistantships. Unlike other kinds of part-time employment during the academic year, these are regarded as additional resources or income and can work only to the applicant's detriment. This situation discourages many graduate students from seeking work of this nature, and the loss to the University, and possibly even to the student himself in terms of valuable experience, is a serious one.

In connection with the actual assessment itself, the parental contribution table is extremely harsh in some respects, making totally unrealistic demands on parents especially in the middle salary ranges. While it is no doubt essential that firm guidelines or criteria be adopted and adhered to as closely as possible (and this principle extends also to such tables as those governing expected summer savings), hopefully another and a closer look could be taken at some of the assumptions on which the tables are based.

Out-of-town students are in a sense penalized, because the whole parental contribution must be given in cash, while a standard sum of $400 is allowed for room and board in the case of students who live at home. The cash contribution is therefore substantially reduced.

Prolonged and frustrating delays have often occurred in obtaining decisions on appeals submitted to the Department of University Affairs. It goes without saying that many of the students for whom a review is authorized are the very ones in the most dire straits; how ironic it is then to have these people wait some three or four months (and this happens) before learning whether they will be able to afford to go on ... or indeed can afford to have begun in the first place!

OSAP's method of payment, where large awards are concerned, is unrealistic. For example, a student with an assessed need of, say $1,600 received a $600 loan after he has registered, and a grant of $1,000 theoretically in two instalments: $200 in December and $800 in January (thus assuring that half the total award - $800 in this case - is disbursed in each term). While even the basic theory is open to question - in practice a very high proportion of the intended "first-term" grants do not become available until the second term anyway (due to administrative complexities), and the result is that many students are forced to negotiate short-term loans to alleviate this imbalance and tide them over. In addition, the division of awards made in January for the second half of the academic year is unfair: the need is first assessed as if for the whole year (say $1,400), then divided between loan and grant ($600/$800), and then each portion is cut in half ($300/$400). The grant is thus artificially inflated and loan reduced.

Notwithstanding the foregoing, the Committee feels that the Ontario Student Awards Program has enough strengths, and is so easily capable of being improved, that it should not be discarded outright until intensive and sound study reveals, as it may well do, a more viable alternative in economic and social terms. Not enough is known about the Program's actual impact on the student population and the public at large. If OSAP really is making higher education universally accessible surely efforts should be made to retain it in more or less its present form; if on the other hand it is, as is sometimes suggested, merely making things more comfortable for students who would have attended university anyway, then it is just as surely an unwarranted extravagance.

TRENT UNIVERSITY

MEMBERSHIP OF STUDY GROUP:

Mr. R.J. Bowman	-	Director of Student Aid.
Mrs. J. Keating	-	Secretary to the Director of Student Aid.
Mr. Lex Wilson	-	Assistant to the Vice-President, also a graduate student and Director of the Alumni.
Mr. Bob Stephenson	-	Chairman, Trent University Co-ordinating Committee.
Mrs. N. Sherouse	-	Principal, Catharine Parr Traill College.
Professor H.J. Stanford	-	Chairman, Committee on Academic Standing, Scholarships and Awards.
Professor R.H. Sadleir	-	Vice-President.

DATE RECEIVED: June 15, 1970.

TRENT UNIVERSITY PETERBOROUGH ONTARIO CANADA

from the Office of the Vice-President

UNIVERSITÉ d'OTTAWA
REÇU
JUN 15 1970
PLANIFICATION ACAD.

11 June, 1970.

Professor Peter Morand,
Assistant Vice-Rector (Academic),
University of Ottawa,
550 Cumberland Street,
Ottawa 2, Canada.

Dear Professor Morand,

I am pleased to forward to you general comments of a study group at Trent University representing students, faculty and administration, upon the present student awards programme and upon proposed changes.

Because of Trent's size, Mr. Richard Bowman, our director of student aid, is able to keep in relatively close touch with the needs of our students, and we are confident that he speaks for Trent's experience with the student aid programme. We would, therefore, ask your committee to continue to correspond with Mr. Bowman whenever liaison with Trent would be helpful.

We hope that the enclosed comments are useful to your work. Should any groups within our university bring forward new views from time to time on any of these matters, we will, of course, forward them to you.

Yours sincerely,

R. H. Sadleir,
Vice-President.

TRENT UNIVERSITY PETERBOROUGH ONTARIO CANADA

Lady Eaton College

11 June, 1970.

STUDENT AID

1. Province of Ontario Student Awards Programme

In a review of the existing Province of Ontario Student Awards Programme, it was felt that there were no major complaints with the present method of assessing needs through the Need Assessment Report.

The "awards" feature of POSAP is a laudable one, of special benefit to students whose families are in the lower socio-economic income group. Further, the method of assessment of summer savings was considered to be an extremely generous one, given the present problem of summer employment for students. Although it moves very slowly at times, the Review Board which looks at cases which are outside the regulations, is another commendable feature of the programme. Certainly the Committee felt that married students were treated very fairly under POSAP.

Most of the minor complaints by Trent students involving the present student assistance programme can be directly related to the family contribution or perhaps indirectly related to the means test which is at the heart of POSAP. Although the family contribution is based on gross income and there are deductions for income tax, dependents including dependent relatives, health and hospital insurance and family maintenance, it is based on a subsistence level of income from a study that was done in 1963. This allowance has been revised upward for 1970-71, but only minimally. The result is that most students whose parents are in a middle income bracket complain that their parents cannot meet the family contribution part of the assessment. Some of these parents are unwilling or unable to assist their children, yet these students cannot get assistance. One is often confronted

with the interrogative, "Why can't I just get a loan?". Under a programme which involves a means test it was obvious to all that economic and/or psychological independence is a very hard problem to solve.

The Committee commented on other areas where the present programme is less than perfect. First, scholarship winners are penalized if they are from a middle or lower income family and require assistance; secondly, the programme's regulations are continually changing, this leads to confusion from year to year; thirdly, under the present loan programme the limited repayment period places a heavy debt burden on some married students; and finally, POSAP is a very expensive programme to operate.

2. Cook-Stager Proposals

In general the Trent committee supports the broad outlines of the recommendations included in the Cook-Stager Report with its plan for "contingent repayment". Our committee supports the nature of the subsidization which is implicit in this kind of programme. The most immediate concern of the Trent committee was the problem of a means test which Cook and Stager have left a debatable issue in their report, perhaps on purpose. After a great deal of discussion and with some reluctance, our group would endorse a recommendation that there not be a means test built into a contingent repayment scheme. Although difficult to administer, our committee would favour however , in extreme instances, the introduction of a forgiveable loan feature to assist those students unable to repay their full borrowings by virtue of their subsequent circumstances and contribution to society. The problem of the subsidization of women, artists and professional students remains unsolved, however, under CORSAP, without a means test, there would be no problem of the assessment of independence verus dependence. Our committee would accept some reasonable upper limits upon the number of years in relation to the academic programme undertaken, during which

subsidization could be obtained to avoid exploitation of the programme. Also limits upon the number of years during which a person might postpone repayment because of travel or refusal to work would have to be considered. A federal contingent repayment programme would be easier and less expensive to operate and certainly from this point of view a great improvement over POSAP. The Carter-Stager proposals would provide greater mobility for all Canadian students who might well obtain a CORSAP loan to study anywhere within Canada. A greatly improved feature would be that no penalty would exist for scholarship winners. A further commendable feature of the CORSAP scheme is the assistance it would provide for the increasing number of part-time students studying at Canadian universities.

3. Other areas for further study

Although it is difficult to assess the consequences of such a change in the student aid programme at a university such as Trent with a large number of students outside the local community, many from lower income families, it would be important that such a programme would not work against these students. Some fear that such students might have to borrow more than students from the middle or upper income groups in order to go to a university outside their local area and because they might have a larger debt on graduation, would be discouraged from moving out of their home area to attend university. However, others see that a total loan programme based upon contingent repayment might have the opposite effect in that it would increase the ability of these students to study anywhere they wish.

Contingent repayment is a very interesting proposal, however the mechanics of such a scheme will have to be very carefully considered before such a philosophy can be implemented.

UNIVERSITY OF WATERLOO

MEMBERSHIP OF STUDY GROUP:

Senate Committee on Scholarships
and Student Aid.

DATE RECEIVED: 1st draft - July 27, 1970.
Final draft - September 29, 1970.

University of Waterloo

Waterloo, Ontario, Canada

Office of the President

July 23, 1970.

Dr. Peter Morand,
Chairman,
CPUO Subcommittee on Scholarships and Student Aid,
University of Ottawa,
Ottawa, Ontario.

Dear Dr. Morand:

In accordance with CPUO Circuletter 543, I am pleased to enclose herewith, the brief completed by the Senate Committee on Scholarships and Student Aid, along with other resource persons at the University of Waterloo. This report has not been presented to the Senate of the University, but this will be done at the next meeting of the Senate in the fall.

I regret our tardiness in having this information placed before you; however, I understand this matter has been discussed with you by Mr. A. R. Dejeet.

If additional information surrounding this submission is required by you, please feel free to contact either myself or our Student Awards Officer, Mr. Dejeet.

Yours truly,

E. C. Matthews

B. C. Matthews,
President.

BCM:mb

cc: Dr. John B. Macdonald,
Executive Director, CPUO

University of Waterloo

A-123

Waterloo, Ontario, Canada

Office of the President

September 23, 1970

UNIVERSITE D'OTTAWA
REÇU
SEP 24 1970
ADMISSIONS ACADEMIQUES

Dr. Peter Morand,
Chairman,
CPUO Subcommittee on Scholarships and Student Aid,
University of Ottawa,
Ottawa, Ontario.

Dear Dr. Morand:

Further to my letter of July 23, 1970, I am pleased to enclose a revised copy of the brief on Student Aid submitted at that time.

The brief has now been discussed by our Senate and has been approved, in its amended form, for transmittal to the CPUO sub-committee. The amendment called for revision of Section (3), pages 6 to 9, in such a way as to remove from the report the suggestion that a major education payment should be made according to use rather than independently of use as is presently the case.

To this end, revisions have been made to the paragraphs which appeared on page 8 of the original submission and Table III has been deleted altogether.

The suggestion of examining the effects of extending means testing to all aspects of subsidization as a means of reducing costs remains in the brief, however, as an alternative to be considered before abandoning or curtailing the present OSAP.

The implication that students from high-income homes would receive a relatively lower subsidy under this arrangement than a present, would be more acceptable provided higher income students were permitted to borrow as much as is necessary to complete their education.

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If you have any questions concerning the intent of the revisions, please contact either myself or Mr. Dejeet, our Student Awards Officer.

Yours truly,

B. C. Matthews

B. C. Matthews,
President.

BCM:mb

cc: C. T. Boyes
A. R. Dejeet

BRIEF ON FINANCIAL AID TO UNDERGRADUATE STUDENTS

Prepared for The Committee of Presidents of Universities of Ontario.

by

The University of Waterloo Senate Committee on Scholarships and Student Aid.

July, 1970.

Revised September 22, 1970

(A) Terms of Reference

At the request of the Committee of Presidents of Universities of Ontario (Circuletter 543), the University of Waterloo Senate Committee on Scholarships and Student Aid has undertaken this examination of existing and suggested programmes of post-secondary undergraduate student aid.

In particular, The Committee of Presidents requested the following three areas of investigation:

- an examination of the existing Province of Ontario Student Awards Programme (OSAP) and suggestions for improving this programme.

- an examination of the Cook-Stager report and similar Educational Opportunity Bank schemes and recommendations regarding the feasibility of such loan programmes.

- an investigation of areas where further studies should be made relevant to financial aid to students at the undergraduate level.

(B) Committee Membership

For the purpose of this study, the Senate Committee on Scholarships and Student Aid decided to augment its numbers by inviting a number of students, faculty and interested and knowledgeable non-university individuals to serve as either Committee members or resource persons. Unfortunately, because of the timing of the

study, students - both regular members of the Committee and additional members - found it impossible to take an active part in the deliberations.

(C) Aims of Student Assistance Programmes

The Honorable William Davis, Minister of Education, in the 1967 Annual Report of University Affairs, expressed what must be the primary aim of any acceptable undergraduate financial aid programme. In introducing the new POSAP financing plan, Mr. Davis said that it was intended "to establish an important principle in that a student admitted to a full-time program at an eligible institution could apply for an award solely on the basis of need, regardless of his level of academic achievement." This statement should continue to be the basis of financial aid to post-secondary students and modifications of, or amendments to, student aid programmes ought not depart from this basic concept.

On the other hand, it is quite conceivable that numerous and substantive alterations in the aims, methods and administration of student aid might be made, provided that this fundamental principle is adhered to. Thus, numerous additional considerations may be added in the evolution of an updated programme. Particularly relevant criteria in addition to the above principle include:

i) The ability and willingness of society to grant support to education at any particular moment, and the economic trade-offs that might be involved in such a decision.

ii) Efficiency in providing the required results.

iii) Social equity and justice with regard to whom the programme serves and by whom the cost is carried.

iv) Due investigation of the balance and division of social and personal benefit.

v) The enhancement of other socially desirable goals such as academic excellence, social service, etc.

Moreover, it must be borne in mind that in any investigation of OSAP, CORSAP, or other programme, calculations and recommendations must include not only the funds paid directly to the student, but also the vastly greater indirect student subsidy paid directly to the university or institution in the form of operating and capital grants.

(D) OSAP: Investigation and Recommendations

It is unfortunate that much of the data available to us is not more up to date than the material in the Cook-Stager report.

(1) Currently, the university instructs only a small portion of society, and that part generally consists of the upper and middle income sectors. Table I illustrates the extent of this unequal

distribution of university students. A situation where 72% of the population (those families earning less than $5000.00 per year) produce only 37.5% of university students, while the 10% of families earning more than $7000.00 produces 40.2% is of gravest concern. While it is acknowledged that the problem of the failure of students from low income homes to reach university is a complex one which stems from numerous causes; still, within the context of post-secondary financial aid programmes, any change which is likely to enhance or perpetuate this unequal distribution must be avoided.

In order not to worsen this situation, care must be taken to establish financing programmes which ameliorate or remove existing financial barriers where they do appear. Since most decisions to enter university apparently are made before the student reaches Grade Thirteen, post-secondary aid programmes must appear sufficiently attractive, accessible and simple that able students from lower income families are not discouraged from entering those high school programmes leading to post-secondary study.

(2) As far as OSAP's effectiveness within the University of Waterloo is concerned, several major problem areas have appeared. These are:

a) According to our own Awards Officer, current OSAP regulations serve adequately about 95% of all students who apply for aid.

There are, however, two significant exceptions to this generalization: those who are injured by the current definition of "independent student" and a number of students from families with combined incomes in the $6000 - $10,000 income range. In both cases the application of arbitrary rules rather than an examination of the real conditions, works an unnecessary hardship on innocent individuals.

i) "Independent Students": The arbitrariness of definition involved in the case of these students arose from the belief (no doubt correctly held) that a number of students from well-to-do families were improperly claiming aid to which they were not entitled. The present restriction, however, which requires a combination of four years work and/or study after high school before "independent" status is attained, creates grave hardship when parents refuse to contribute the monies expected by the programme. Moreover, Counselling Services at Waterloo attributes many of the withdrawals and failures to the fact that parents force students, on threat of withdrawing aid, into study programmes in which the student has little or no interest.

ii) "Middle Class" students: Here, official arbitrariness has been carried to a ludicrous extent. To allow parents a maximum of

$1800.00 for ordinary living allowance on the one hand, while on the other, allowing married students $3000.00 for the same expenses, creates a situation which undermines the credibility of the entire OSAP. Clearly, the $3000.00 figure for married students was developed because married students could not exist below that level. Equity and common sense demands that parents of students require an equal allowance. As a result of allowing so little under current regulations, parents in the $6000 - $10,000 range find that they are expected to give their children dollars which they, themselves, need for their own maintenance. As a result, many students from such homes suffer unnecessary hardship merely because the rules refuse to recognize the real expenses of the parents.

(3) A second major area of concern arises within OSAP from the argument advanced by Provincial authorities that OSAP costs too much. Table II gives some idea of the dollars awarded to students at this institution during the year ended May, 1970.

The OSAP grants, however, make up only a very small percentage of all government subsidies to students. In any study of government subsidies to students, one must consider as well the direct capital and operating grants which make up approximately 95% of all subsidization, aside from repayable loans. In 1969-70, the Province subsidized university students on the basis of Basic Income Units of approximately $1550.00, from which is deducted a standard tuition fee

(approx. $550.00). At Waterloo, programme subsidies vary from one Income Unit per student (Year 1 Arts) to two Income Units per student (Engineering, Optometry, etc), which means that direct subsidization from operating grants varies from $1000.00 (1 BIU less tuition) to $2550.00 (2 BIU's less tuition), with the average subsidization from operating grants being about $2000.00 per student - or something like 20 million dollars per year at the University of Waterloo. In addition, the direct capital grants for the erection of buildings, etc., is effectively an indirect subsidization as well; worth perhaps $500.00 per year per student.

In all, therefore, undergraduate students, rich or poor are subsidized on the average, about $2500.00 per year <u>without a means test</u>. In addition, students from low income homes may be subsidized an additional amount (at Waterloo the average is $463.00 this year) under OSAP, but are subjected to a means test. In view of the current concern about rising costs, it would seem logical to examine the effects of extending means testing <u>to all aspects of subsidization</u> as a means of reducing costs before abandoning or curtailing OSAP. Under such a programme, a single, true cost, package grant (or loan and grant) would be established. (e.g. - a Year 1 Engineering student would receive $3000.00 per year). By subjecting

all students to a means test, a substantial saving would be realized on students from upper income homes. (no table III)

Under a total package situation with a means test applying to all subsidies, students from low income families might continue to receive the full $3000.00 subsidy.

A concomitant loan programme might be extended by allowing larger loans. Loans may or may not be tied to the level of grant subsidy as seen fit. It would seem beneficial, however, to allow students from high income families to borrow as much as is necessary to continue and complete their education. Were an alternate means of financing not available, the additional coercive power which would be given to high income parents, who are expected to subsidize their children at a high rate, could intensify career decision conflict, etc.

Two considerations might be incorporated into such a discussion: the fact that high income families, through regressive taxation, already pay a greater share of educational costs per capita; and on the other hand, the fact that current taxation philosophy tends to assume that this situation is desirable.

(4) Another major area of concern regarding OSAP is the degree to which it discourages rewards for, or incentives to, scholarships.

In particular, the low $150.00 limit on the amount of "other awards" which may be exempted from deduction from OSAP grants seem to have discouraged those interested in promoting scholarship from establishing further scholarship funds. Moreover, since a trade-off exists among students between time spent in additional study contributing to higher standards of scholarship, the lack of financial recognition of scholarly attainment seems likely to encourage those with limited financial resources to accept part-time employment rather than attempt higher scholastic standing. This aspect, of course, bears most heavily on those students from lower economic backgrounds and/or, married students.

(5) Finally, the lack of recognition of the additional burdens assumed by part-time students creates difficulties for a group of students which the government has expressed a keen interest in encouraging. In particular, a true-cost level assessment of fees would necessarily drastically restrict enrolment in part-time programmes under current student aid regulations.

We are attaching an addendum to this report which includes several comments received from our Department of Coordination and Awards Officer, concerning the Co-operative programme and its relationship to OSAP at the University of Waterloo.

Specific Recommendations Re: OSAP

Current philosphy of education financing assumes a degree of parental obligation in assisting the student to meet educational costs at the post-secondary level. While this in itself may be a questionable assumption, the following recommendations are made on the basis that parental assistance will continue to be expected.

(1) Investigate the combination of both government grants to university and student into a single grant programme and subject the entire package to a means test which recognizes the REAL COSTS OF LIVING of parents.

(2) Allow a higher level of loans, recognizing the costs to students but based on a means test to prevent the abuses of re-investment and speculation. The loan component should be reserved to that portion of a student's income which is above minimal living costs, or to meet emergencies. If a greater dependence upon loans is desired by the Provincial authorities, such increases should occur only in the third and fourth years of an undergraduate programme, and only after the implementation of the first recommend-ation above.

(3) Introduce a more realistic appraisal of the true costs of parental maintenance in assessing ability to contribute towards a childs educational costs.

(4) Remove scholarships based on open competition from means testing. It should be assumed that scholarships are a trade-off against loans or part-time work when a student calculates his work-study strategy.

Scholarships based on considerations other than open competition should be considered as income thereby reducing both loan and grant rather than just the grant, as is the case at present.

(5) Extend OSAP assistance to part-time students in order to ameliorate for them the dual burdens of foregone earnings and the direct cost of tuition, books, etc. Certainly such aid should cover at least the latter costs.

(6) Speed up the processing of awards by having students complete OSAP applications under the supervision of high school Guidance officers. Moreover, the present OSAP application is complicated enough at present to necessitate the return of

approximately 60% of the original forms received from applicants. This, of course, causes much unnecessary delay and inconvenience. If possible, the amount of the award should be reported to the student at the same time as he is informed of his acceptance to the institution.

(7) Redefine the category of "independence" on a more realistic basis. This category should be liberalized to a considerable degree, but on the other hand, a more rigorous policy of prosecution for abuses should be followed.

(E) The Cook-Stager Report and other E.O.B. type schemes

a) The fundamental issue raised by the Cook-Stager Report is an important one. To what extent does the student benefit from post-secondary education, and what proportion of his educational cost should he bear as a due recognition of the return which he receives from his personal investment? If for no other reason, the Report justifies its cost by opening such a discussion and pointing out that a student's foregone earnings constitute a significant contribution to the costs of his education.

Secondly, the Report makes a valuable contribution through its examination of the TOTAL subsidization of the student by arguing that grants paid directly to the institution should be treated no differently than grants paid directly to the student.

b) The Cook-Stager Report, however, suffers from a number of severe deficiencies which must cast considerable doubt on its overall usefulness. In particular its deficiencies in the crucial discussion on the "barrier effect" of loans to lower economic class students would seem to render suspect to its overall conclusions.

i) A prime example of its lack of objectivity occurs in the section dealing with the possible barrier effect of a totally loan-based programme on students from lower income families. For example, (pp. 139-140) the authors engage in an argument intended to convince the reader that there is a "long term decline in the importance of a financial barrier." This conclusion is arrived at by comparing a 1957 study of Grade Thirteen students with a 1965 study of those in Grade Twelve, without taking into account the degree to which Grade Twelve is composed of students kept in school by attendance laws, non-academic stream students, and lower achievers.

Secondly, to totally discount without apparent justification, the 1962 A.S. Mowat's Canadian study (cited p.138) which concluded that "'lack of money' was the chief reason for not continuing" while accepting a series of studies from England and the United States which conclude that the financial barrier was not "the major obstacle", seems a decision arbitrary beyond that normally acceptable in scholarly research.

ii) Further, the treatment of the major 1969 study by Clark et al (discussed pp. 142-162) leads one to conclude that the credibility

of the Cook-Stager study must be seriously questioned. The Clark group asserted that "income rather than the cultural aspects of class should be the centre of attention" (p. 163) and pointed out that while awareness of the availability of government aid did not change over time (p. 162), that those who made a decision at the Grade Twelve and Thirteen levels to go to university were also those who were most likely to count on government assistance as the primary means of financing their education (a correlation suggesting that students from low income families do in fact break out of family patterns of educational expectations and that the awareness of government assistance plans may have been, if not the cause of such decisions, at least a means of making such a decision possible!). On the other hand, Cook-Stager asserts without offering factual reason for so doing that they would give "a slightly greater emphasis to the cultural aspect."

iii) Finally, one is astounded by the assertion that one should discount the problem of economic barriers raised by the 1957 Fleming study of Ontario Grade Thirteen students because "only sixty-six per cent of the uncertain students, and twenty-four per cent of the 'definitely nots'" would continue if adequate bursary assistance was made available. If anything, the fact that "only two-thirds" of uncertain students would go on were financial assistance available,

demonstrates the magnitude of the barrier problem and the crucial importance which one must place upon its existence in assessing the relative value and effects of various financing methods. Clearly, if Cook-Stager disagrees with the conclusions of British and American studies, much further information is necessary regarding the Canadian situation before the Cook-Stager loan-financing recommendation can be accepted.

iv) Numerous other questions must be examined concerning the Cook-Stager Report. For example, the Report argues that the "contingency" aspect of loan repayment would act to reduce the barrier effect of a total loan approach.

Since no data are offered to substantiate such a claim it may or may not be true. However, one factor not considered is that in any plan of fixed-percentage repayment, the lower income group finds repayment much more difficult than does an upper-income group. For example, assuming that the repayment rate be 1/3% per $1000.00 borrowed and the true cost per year of undergraduate education to be $3500.00 per year, then an Honours B.A. graduate could be expected to borrow $14,000.00 and repay 4.67% of his gross income per year. Similarly, a Ph.D. graduate might owe as much as $40,000.(and repay 13.3% of his gross income. A calculation of the effects o repayment of such sums of various income levels points out that although a contingency-repayment programme ameliorates the burden of lower income alumni, it still levies a more pressing burden on the

lower income alumni than it does on the higher.

Annual Income	$5,000.	$10,000.	$20,000.
Contingency Repayment Rate	5.00%	5.00%	5.00%
Contingency Repayment	$ 250.	$ 500.	$ 1,000.
Income Remaining	$4,750.	$ 9,500.	$19,000.

The man earning $20,000. is probably better able to repay $1,000. than the man earning $5,000. is able to repay $250.00. Moreover, since it is assumed that no one will be required to repay more than he borrowed, the high-income alumnus is able to repay his debt rather quickly, with relatively small inconvenience and with a lesser total interest cost, while the lower income alumnus must suffer greater inconvenience over a much longer period and repay a greater total amount of interest. In such circumstances equity is not achieved, nor are students likely to remain unaware of the burdensome effects of even the contingency-repayment plan for very long.

v) One aspect of the results of higher education which Cook-Stager acknowledges, but which is not fully included in the analysis, is the fact that higher education tends to increase the recipient's income. While Cook-Stager makes much of this higher income in

arguments regarding the private benefits derived from education (and indeed the whole loan-based plan is based upon it), the fact that the government already receives a return on the additional income due to education in the form of increased tax payments is conveniently overlooked. A study of this aspect of repayment of the public investment in a student would have been most informative.

One wonders whether a simple surcharge upon taxes on income above the $10,000. level would not achieve all the beneficial aspects of the Cook-Stager proposals without incurring all the problems of barrier effects, etc. which are likely to arise in the present proposal. Obviously more work needs to be done.

vi) The question of a possible negative dowry created by a loan system for female students reveals a major weakness in such plans. Rather than concentrate on the possible failure of married female alumnae to repay, the government should concentrate its efforts on raising the standards of pay and increasing the possibility of employment of females to a position of equality with males, thereby making a salaried career more attractive to married female alumnae. The degree to which a shortfall on repayment would exist because married female alumnae would absent themselves from employment is a reflection of the discriminatory nature of current

employment practices and social pressures, and as such might well be borne by the public at large.

Specific Recommendations Re CORSAP:

(1) It cannot be emphasized too strongly that no major changes in student assistance plans should be made unless a much more thorough, objective and comprehensive study is made than is available at present. For example, the substantive caveat raised by George H. Hanford and James E. Nelson, "Federal Student Loan Plans: The Dangers are Real", College Board Review, Spring, 1970, suggest that all is not well with American E.O.B. schemes. There are a number of alternatives open (several are suggested in the text) which should be considered before a major change is made. Certainly one would not like to discover five years from now, as Canadian universities discovered ten years ago, that so few graduates were being produced that foreigners would be required to dominate whole fields of study.

(2) Investigate the effects of higher rates of income tax returned by alumni, and calculate what additions, if any, would be necessary by alumni to repay the public investment diverted to private benefit by the student.

(3) Investigate the public-private returns on education, and

in particular include a due recognition of the social benefits of an increasingly educated populace.

(4) Investigate alternative avenues to relieve the "negative dowry" element and consider the element of social responsibility for its existence in such calculations.

(5) Investigate effects of various "floors" below which no contingency rate return would be demanded, and also investigate the possibility of a variable contingency rate based on income level (i.e. a person earning $5000.00 per year might be required to return .1% per thousand borrowed, while an alumnus earning $10,000.00 per year might be required to repay .3% per thousand, etc.

(6) Investigate barrier effects of loans upon lower income groups.

(7) Investigate ways of incorporating academic merit awards into the system in order to encourage excellence. The public benefits are obviously more from an excellent scholar than a mediocrity.

Additional Areas of Investigation

(1) When one attempts to investigate the field of student aid, one is struck not only by the paucity of theoretical work, but also by the little that is known about actual conditions in Canada. It would appear that past policy decisions have been made

as much upon intuition and good intentions as upon knowledge, and that education policies are as frequently determined by political expediency as they are by knowledge and planning. Certainly we must know much more about the social returns of education than we do before we launch any new adventures in educational aid.

We need, for example, works in Canada such as E. Denison, Sources of Economic Growth in the United States (New York, 1962), and Gary S. Becker, Human Capital (New York, 1964) which seriously explore the innumerable avenues opened up when one treats education as an investment. To date these studies are entirely lacking.

(2) The question of a "market-place" approach to education in Canada, such as is assumed under E.O.B., is one which bears careful consideration and investigation. A basic assumption of Canadian education from the time of Egerton Ryerson has been that an educated populous community created and sustained interests beyond that measurable in monetary returns.

Conclusion

Despite the Dobell-Judy disclaimer that there is "growing doubt" that providing grants to undergraduates has increased enrolment, studies such as those done by Clark et al[1], and Charles Hanly[2] suggest

[1] Clark et al, Student Aid and Access to Higher Education in Ontario, Toronto, Institute for Policy Analysis, University of Toronto, 1969.

[2] Charles Hanly, Who Pays?, Toronto, 1970.

that, indeed, from a Provincial, financial point of view, OSAP may have been too successful. Enrolment among students from families eligible for aid has created an explosive situation regarding OSAP financing. The Cook-Stager recommendations are little more than an attempt to escape that financial crunch in a politically acceptable manner without serious investigation of academic consequences.

The key phrase which points out the limitation of the study occurs in the Dobell-Judy introduction which says (p.x) "given existing taxation structures...". Moreover the assertion that the only likely trade-off existing is between post-secondary and other forms of education (an assertion that claims that students from lower income groups are likely to be aided to advance to post-secondary education only at the expense of those already receiving aid there) is patently absurd.

Trade-offs, particularly when explained by a thorough educational programme, can be made in many areas of the economy - public and private.

Finally, the arguments used to justify the withdrawal of public aid from university students can be applied with equal validity to students in primary and secondary schools, as was done in the nineteenth century. One only hopes that CORSAP does not mark

a return to those discredited theories of the nineteenth century laissez-faire which created the "bad old days" of privately financed education; education for the classes not the masses (after all, students and parents could borrow to finance education even in those days), and against which leaders such as Egerton Ryerson struggled in order to create in Ontario, a modern, literate, technologically developed society.

While there are forces in Canadian society which seem prepared to abandon the concept of community for those of the entrepreneurial state, such attitudes are not shared by all members, and it would seem that little rational discussion can occur on the subject unless we have a better understanding of the Canadian social mechanism and the role played in it by education.

TABLE 1

INCOME OF PARENTS	PERCENT OF TOTAL POPULATION (1)	PERCENT OF STUDENTS PARENTS IN CLASS (2)	BENEFITS 65% OF BENEFIT TO GRADUATE (2)	PUBLIC REVENUE GOING TO UNIVERSITY (2)
UP TO 3,000	34 %	13.5 %	16.1 %	10.4 %
3,000 to 4,999	38 %	24.0 %	21.1 %	20.5 %
5,000 to 6,999	18 %	22.2 %	21.1 %	24.6 %
7,000 to 9,999	6 %	18.7 %	23.1 %	19.9 %
10,000 and OVER	4 %	21.5 %	21.6 %	24.3 %

(1) Canada, Department of National Revenue. Incomes of Canadians,1963, Vol.1 (The Green Book), Ottawa, 1965.

(2) Cook, Gail C.A. and David A.A. Stager. Report, Student Financial Assistance Programs, University of Toronto, 1969. p.197.

TABLE 11

SUMMARY STATISTICS - YEAR TO DATE

FISCAL YEAR ending May 1969

FACULTY	APPLIED			GRANTED					SCHOLARSHIPS			
	No.	AVERAGE LOAN	AVERAGE GRANT	No.	TOTAL LOAN	AVERAGE LOAN	TOTAL GRANT	AVERAGE GRANT	No.	AMOUNT	REF. NO.	CAN. CERT.
ARCHITECTURE	279	$ 429.58	$ 373.49	237	$ 119,855.00	$ 505.71	104,205.00	$ 439.68	64	$ 34,765.50	33	9
ARTS	1547	457.85	428.40	1345	708,295.00	526.61	662,745.00	492.74	306	255,182.00	119	87
ENGINEERING	1102	369.50	345.95	839	407,195.00	485.33	381,240.75	454.39	373	180,732.00	223	48
MATHEMATICS	1037	424.47	363.90	861	440,185.00	511.24	377,370.00	438.29	371	166,685.50	111	69
PHYSICAL ED.	279	438.85	392.79	243	122,440.00	503.86	109,590.00	450.98	40	9,498.00	30	7
SCIENCE	690	425.62	377.03	574	293,680.00	511.63	260,155.00	453.23	217	129,843.00	85	34
OTHER	29	461.03	484.31	26	13,370.00	514.23	14,045.00	540.19	251	359,838.50	3	0
TOTALS	4963	$ 424.14	$ 384.71	4125	$2,105,020.00	$ 510.30	1,909,350.75	$ 462.87	1622	$1,136,544.50	604	254

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ADDENDUM

(Co-Operative Program)

The following are comments received from the Department of Coordination at Waterloo concerning the relationship of the Ontario Student Awards Program to Co-Operative students.

In order to do a proper evaluation of costs and income, we suggest you compare two Grade XIII graduates of the same year, one, who graduates from the University of Toronto, and the other who graduates from a Co-Operative Program at Waterloo, one year later.

Facts to be considered would be the higher cost of tuition at Waterloo, higher rate of weekly earnings as students, higher starting rate as a graduate, etc. However, because the graduate from Toronto has been working as a graduate for one year, his wages at that time should be compared to the Waterloo graduate's starting salary.

Most students who come to a Co-Operative Program, feel that there is an advantage in only having to finance four months at University after four months of working. This may be more important to students who would not qualify for much government assistance.

We believe that many students are attracted to Waterloo because of the philosophy of co-op and recognize the independence the philosophy offers. Others feel that the shorter academic terms enable greater concentration on their studies.

In addition, comments concerning the Co-Operative Program as outlined by the Awards Officer at this institution, are as follows:

Special consideration is given to Co-operative students insofar as work term savings are concerned. Our students are not expected to save as much in one work term as is a "regular" student in one summer work period. The expected savings are subject to change on an annual basis in accordance with data received from our Coordination department and information provided by the students themselves.

Co-operative students are assessed on a "term" rather than a "year" basis. This is in the students favour in that, he/she receives both loan and grant in each term. This then results in a student not being committed to loan only in the first term as is the case with the "regular" student. In case the Co-operative student terminates (withdraws or is required to withdraw) at the end of the first term in an academic year, he/she has the benefit of one half the normal loan and one half the normal grant.

Co-operative students with automobiles are treated with greater leniency than "regular" students because of the generally accepted assumption that many Co-operative "jobs" necessitate the operation of an automobile.

The residence problem of married Co-operative students often receives greater sympathetic acknowledgement by the Department of University Affairs than would normally be given to the "regular" student.

Since a married student is often placed in different centres for work term assignments, it is seldom convenient to move his family to and from Waterloo. This situation lends itself to increased costs for dual residence and under some circumstances, the Department of University Affairs will allow for higher awards. A similar situation would not receive favourable acknowledgement if presented by a "regular" student.

THE UNIVERSITY OF WESTERN ONTARIO

MEMBERSHIP OF STUDY GROUP:

Mr. Ian Brooks	-	Representing U.S.C.
Mr. Paul Hebert	-	Representing M.B.A.A.
Mr. Jim Henry	-	Representing S.O.G.S.
Mr. T.L. Hoskin	-	Dean of Men.
Dr. W.J. McClelland	-	Representing Senate- Secretary.
Mr. E.J. McLeod	-	Director of Financial Aid.
Dr. Leola Neal	-	Dean of Women.
Dr. R.N. Shervill	-	Executive Assistant to the President.
Mr. Larry Steinman	-	President, U.S.C.
Professor R.K. Swartman	-	Representing Senate.
Dr. W.S. Turner	-	Assistant to the Vice-President (Academic) and Provost - Chairman.

DATE RECEIVED: April 10, 1970.

The University of Western Ontario, London, Canada

Office of the President
and Vice-Chancellor

UNIVERSITÉ d'OTTAWA
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APR 10 1970
PLANIFICATION ACAD.

8 April, 1970

Dr. Peter Morand, Chairman
CPUO Sub-committee on Student Aid
University of Ottawa
Ottawa, Ontario

Dear Dr. Morand: RE: Review of Student-aid programmes

I am enclosing a copy of the University of Western Ontario report on Student Financial Assistance Programmes requested by Dr. John B. Macdonald in Circuletter 543, dated January 23rd, 1970.

Any further inquiries should be directed to Dr. W. S. Turner, Chairman of the President's ad hoc Committee on Student Financial Assistance Programmes.

Sincerely yours,

D. C. Williams

D. C. Williams
President

DCW:is

c. c. Dr. John B. Macdonald
Dr. W. S. Turner

REPORT OF THE PRESIDENT'S AD HOC COMMITTEE ON STUDENT FINANCIAL ASSISTANCE PROGRAMS

Membership:

Mr. Ian Brooks, representing U.S.C.
Mr. Paul Hebert, representing M.B.A.A.
Mr. Jim Henry, representing S.O.G.S.
Mr. T. L. Hoskin, Dean of Men
Dr. W. J. McClelland, representing Senate - Secretary
Mr. E. J. McLeod, Director of Financial Aid
Dr. Leola Neal, Dean of Women
Dr. R. N. Shervill, Executive Assistant to the President
Mr. Larry Steinman, President, U.S.C.
Professor R. K. Swartman, representing Senate
Dr. W. S. Turner, Assistant to the Vice-President, (Academic) and Provost - Chairman.

Resource Personnel:

Mr. Nigel Bellchamber, Administrative Assistant, School of Business Administration.
Dr. Barry Hicks, School of Business Administration.
Mr. Paul Jenkins, Student, Faculty of Social Science.

Terms of Reference:

1. To consider the Cook-Stager Report and similar loan-based schemes and to make recommendations regarding the feasibility of such loan programs.

2. To examine the effects of the existing POSAP and to make suggestions for improving the Program.

3. To suggest areas of further investigation relevant to financial aid to students at the undergraduate level.

The Cook-Stager Report:

The Committee agreed:

1. That the Cook-Stager report is an excellent review of past and present student financial assistance plans;

2. That the Cook-Stager Report attempts, with considerable success, to equate the social and economic opportunity for post-secondary education;

3. That the introduction of a purely loan-based scheme is premature until all available evidence relating to POSAP has been compiled and studied;

4. That the Report underestimates the problems of recovering loans posed by the migratory habits of students when they leave university.

5. That any purely loan-based scheme with a long-term repayment plan would tend to discourage students from low-income families seeking post-secondary education; and

6. That the Cook-Stager repayment plan would deter married women graduates from entering employment.

The Province of Ontario Student Award Program (POSAP):

The Committee agreed:

1. That the grant-loan basis of POSAP be retained;

2. That, while POSAP is meeting the objective of providing adequate financial assistance for most qualified students resident in Ontario, there does appear to be an inequitable distribution of benefits relative to family incomes, particularly those in the middle-income group;

3. That there is sufficient flexibility within POSAP to ensure consideration of special cases;

4. That there is a lamentable lack of knowledge among parents, students, and educators at all levels concerning the intent and content of POSAP; and

5. That the emphasis on financial need as opposed to academic excellence is compatible with the Program's basic concept.

Recommendations:

1. That the Province of Ontario retain POSAP as a means of providing student financial assistance; and

2. That POSAP be examined with a view to updating the parental contribution scale, particularly as it applies to families in the middle-income group, and promoting a more intensive publicity campaign for students, and educators at all levels.

Further Studies:

1. That research be conducted to determine the extent to which students and society benefit from post-secondary education, and thereby establish the grant/loan proportion for financing student assistance programs.

2. That continuing studies be instituted to assess the impact of open-ended student assistance programs on the supply of and demand for graduates in particular areas of post-secondary education and on escalating educational costs; and

3. That the Government of Ontario determine the proportion of the annual budget available for student assistance programs and, if controls are deemed necessary, consider (a) altering the grant-loan ratio in POSAP, (b) extending the family/student contributions beyond the fourth year, (c) introducing a purely loan-based scheme, or (d) encouraging the universities to limit enrolment.

The University of Western Ontario,
London, Ontario.
April 6th, 1970.

UNIVERSITY OF WINDSOR

MEMBERSHIP OF STUDY GROUP:

Dr. F.A. DeMarco (Chairman)	-	Vice-President.
Mr. D.L. Kasta	-	Awards Officer.
Mr. George McMahon	-	Dean of Students.
Mr. R.J. Scott	-	High-School Liaison Officer.
Dr. A.W. Gnyp	-	President, Faculty Association.
Prof. P.H. Alexander	-	Faculty.
Prof. P.R. Burrell	-	Faculty.
Mr. John Charlton	-	Student.
Mr. Steve Lough	-	Student.

DATE RECEIVED: April 1, 1970.

A-159

UNIVERSITY OF WINDSOR

WINDSOR, ONTARIO

OFFICE OF THE VICE-PRESIDENT

March 31, 1970

UNIVERSITÉ d'OTTAWA
REÇU
APR 1 1970
PLANIFICATION ACAD.

Dr. Peter Morand, Chairman,
CPUO Subcommittee on Student Aid,
University of Ottawa,
Ottawa, Ontario.

Dear Dr. Morand,

In response to Circuletter 543 that we received from Dr. Macdonald, the University of Windsor formed a Study Committee as requested:

Dr. F.A. DeMarco, Vice-President (Chairman)
Mr. D.L. Kasta, Awards Officer
Mr. George McMahon, Dean of Students
Mr. R.J. Scott, High-School Liaison Officer
Dr. A.W. Gnyp, President, Faculty Association
Prof. P.H. Alexander, Faculty
Prof. P.R. Burrell, Faculty
Mr. John Charlton, Student
Mr. Steve Lough, Student

We examined the existing Province of Ontario Student Awards Program and found that we have no specific recommendations to make for changing this Program. All our suggestions are in reference to the examination of the Cook-Dobell-Stager Report and to make a general statement of principles on financial aid to students at the university level.

The attached statement, therefore, represents the combined thinking of this representative group, but I wish to point out that it was not brought to the Senate or any other official University body for endorsement or approval.

Any further communications regarding this Study Committee should be addressed to myself as Chairman of the group.

Yours sincerely,

F.A. DeMarco

F.A. DeMarco
Vice-President

FAD/df
cc: Dr. John B. Macdonald, CPUO.

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REVIEW OF STUDENT AID PROGRAM

Statement prepared by

STUDY COMMITTEE OF THE UNIVERSITY OF WINDSOR

March 31, 1970

General Statement

We believe that post secondary education should be available to all who can truly benefit from it. University education in our judgment should be supported through general tax revenues. As a long-term goal we recommend that such education be available at no direct explicit cost to the student or his parents. Only in such circumstances can the decision on the part of the student to continue his education be made largely free from economic constraints. The elimination of personal financial obligation would not mean that an individual would escape the burden of financing higher education. For the forty plus years following graduation he will through his taxes pay for the education of those who follow him as he will pay for all other benefits provided by governments. The question of equity which arises because of private benefits which emerge from public education should be dealt with as part of a total discussion on equitable taxation.

Funds to cover the cost of university education, which may include cost of instruction (tuition - see also below), living expenses and in some cases foregone earnings, should be made available to any able and deserving student through a grant system giving the student full independence to pursue his education without parental contribution. The extent to which these grants would be loans and/or bursaries would be a matter for further study in relation to subsequent earnings on equitable taxation. Because we feel that education is a benefit to the individual and a potential financial resource to society, a deserving student would be defined as any student able, diligent and mature enough to persevere in a university program. Those who are given the opportunity to attend university at public expense must be required to demonstrate that they are interested and have the capacity for university work. The universities must assure the public that only those suited to rigorous intellectual effort will in fact succeed as students. The curriculum should be so demanding that the lazy-minded and the status seekers would be diverted to other pursuits. We much prefer this approach to incentive for serious study rather than the concept of financial sacrifice because the latter could disadvantage the less privileged and the more intelligent.

The Elimination of Tuition Fees

One concrete step in this direction would be the elimination of tuition fees at Ontario's Provincially assisted universities. In addition to helping ease economic constraints at the time a student enters university, the elimination of tuition fees can be supported on other grounds:

(1) The existence of a tuition fee is one of the elements which may convince a young high-school student or his parents that university education is not possible. It is probable that the student and his parents will be aware of the unambiguous tuition fee before they are aware of any complex student-aid plan.

(2) The amount of present tuition fees is an arbitrary figure which bears no logical relation to private as opposed to public costs and benefits of higher education. Tuition revenue already constitutes a small and declining share of the total costs of operating Ontario's universities. The existence of a tuition fee does not in reality provide Ontario universities with an independent source of revenue given the present operating grant system.

(3) The existence of a tuition fee does not guarantee that a student will be more diligent in his work except in the case of a financially disadvantaged student who may have made a substantial sacrifice to attend university. An intellectually rigorous and demanding curriculum is much more likely to promote diligence.

The Educational Opportunity Bank Proposal

To the extent that assistance must be provided to students on a loan basis, the Ed-Op proposals (with contingency repayment) are preferable to existing loan schemes. The existence of such a Bank, however, will not eliminate financial barriers to higher education. A student - particularly with few financial resources - may be understandably hesitant to borrow large sums of money even if it is to be repaid as a small surtax on income over many years.

Our recommendation is for a broader scheme which would give in fact universal acceptability with no financial restraints, but which could be supported by equitable taxation which could be related to post graduation earnings.

YORK UNIVERSITY

MEMBERSHIP OF STUDY GROUP:

No Study Group formed. Letter received from Dr.A.C. Johnson (Vice-President, Academic) indicating York's position.

DATE RECEIVED: September 3, 1970.

Office of the Vice-President
(Academic Services)

YORK UNIVERSITY

4700 KEELE STREET, DOWNSVIEW 463, ONTARIO

September 1, 1970
Ref: ACJ-70-185

Dr. Peter Morand
Chairman
CPUO Sub Committee on Student Aid
Office of the Vice Rector
University of Ottawa
550 Cumberland Street
Ottawa, Ontario

Dear Dr. Morand:

First, may I apologize for our negligence in not pursuing earlier requests for York's comments and suggestions on the problem of student financial assistance. Secondly, may I be the first to point out that what is being supplied at this time is certainly not a thorough discussion of student financial assistance nor a final indication of York's position on the subject. I can assure you that our performance to date is not from a lack of interest in student financial assistance - which we consider a most important matter - but more likely because of the magnitude and complexity of the problem. Unfortunately, the effort during the past eight months available at York to put into the requested review, simply was not sufficient in our opinion to generate sound opinions and advice. Consequently, without adequate study we were reluctant to express our views. As I said, we consider the problem of student financial aid as one of great concern and you can anticipate a better response from us in the future.

In response to Circuletter 543 of January 23, 1970, York's preliminary position is generally supportive of the new approach to student financial assistance outlined in a "Summary of a Proposal of a New Program of Financial Assistance to Students" dated 21st November, 1969, and discussed by the Sub Committee on New Approaches to Student Assistance of the Post Secondary Education Committee of the Council of Ministers of Education, Canada with representatives of the Federal government on the 21st April, 1970. In particular, we consider the following

Dr. Peter Morand September 1, 1970

features as being very desirable:

a) portability of the program because of its national scope;

b) universal accessibility, subject to the criteria of a needs assessment, to all post-secondary students, both full-time and part-time;

c) terms of repayment (through the mechanism of the income tax) based on ability to repay and related, to some extent, to benefit received.

An area in which York would like to see further study leading to a revision of the proposal is that of deferred interest charges. Another is that of scholarships. With the advent of student financial assistance programs, it has become very difficult for new universities through appeals to the public to create a broad base of scholarships. Consequently, the newer universities are presently at a disadvantage, compared to the older ones with an accumulation of scholarships from the past, when competing for good students. York would want assurance that a new assistance program would not increase this disadvantage. Study of the effect of proposed programs on the scholarship situation, therefore, would be desirable.

Pending further action on proposed program, York recommends consideration be given to the adjustment of the present Federal and Provincial programs in respect of Part-time students.

As strongly expressed in the summary of the new approach, a part-time student, like a full-time student, is not only likely to have a need for financial assistance, but is equally deserving of the opportunity of investing in his future. Thus, York recommends that amendments be made to the Canada Student Loans Act such as

1) to define a full-time student as one taking not less than four full-course credits or equivalent, as defined by the institution, during an academic year of twelve consecutive months;

2) to delete the requirement that "primary occupation during that academic year is personal attendance at that institution for the purposes of that course of studies," since the criteria of the needs test adequately serves as a regulator;

Dr. Peter Morand

September 1, 1970

3) to permit access to government financial assistance by those students who are less than full-time.

Changes, consistent with the above amendments, would also be required in the Ontario Student Awards Program.

Until the Canada Student Loans Act is amended to permit access to government financial assistance by part-time students, York recommends that the Province of Ontario implement a program complementary to the Federal plan for the benefit of part-time students. It is advocated that such a plan contain a needs test.

I would hope that these comments, brief and late as they are, may still be of some assistance in your study. Until further notice, you may consider myself as the liaison person appropriate for you to contact at York.

Yours very truly,

Arthur C. Johnson

Arthur C. Johnson
Vice-President (Academic Services)